

# Annual Report

as at 31 December 2016  
including audited Financial Statements

## AXA World Funds II

(The «SICAV»)

R.C.S. Luxembourg B-27.526  
VAT Number LU 216 82 420



# **AXA World Funds II** **(The “SICAV”)**

Société d'Investissement à Capital Variable

Annual Report as at 31 December 2016  
including audited Financial Statements

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No subscription can be received on the sole basis of the present report. Subscriptions are only valid if made on the sole basis of the current Full Prospectus supplemented by the application form, the Key Investor Information Documents ("KIID"), the latest annual report and the latest semi-annual report if published hereafter.

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## General Information

### Registered Office of the SICAV

49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### Board of Directors

#### Chairman

Mr Christophe Coquema, Global Head of Client Group, AXA Investment Managers, residing in France

#### Members

Mr Emmanuel Dendauw, Head of Retail Distribution, AXA Investment Managers Benelux, residing in Belgium

Mr Stephan Heitz, Head of AXA Investment Managers Continental Europe and Nordics, AXA Investment Managers Switzerland AG, residing in Switzerland

Mr Jean-Louis Laforge, Deputy Chief Executive Officer, AXA Investment Managers Paris, residing in France

Mr Michael Reinhard, Global Head of Operations, AXA Investment Managers, residing in Germany

### Management Company

AXA Funds Management S.A., 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### Board of Directors of the Management Company

#### Chairman

Mr Michael Reinhard, Global Head of Operations, AXA Investment Managers, residing in Germany

#### Members

Mr Bruno Durieux, Strategic Planning & Control, AXA Belgium S.A., residing in Belgium

Mr Laurent Jaumotte, Chief Financial Officer and Member of the Executive Committee of AXA Luxembourg S.A., residing in Belgium

Mr Jean-Louis Laforge, Deputy Chief Executive Officer, AXA Investment Managers Paris, residing in France

Mr Sean O'Driscoll, Country Head, member of the Board and General Manager, AXA Funds Management S.A., residing in Belgium

Mrs Tatiana Pécastaing-Pierre, Senior Sales Manager, ICG Sovereign Wealth Funds, AXA Investment Managers Paris, residing in France (resigned on 31 May 2016)

Mr Jean-Pierre Leoni, Global Head of Client Management, AXA Investment Managers Paris, residing in France (appointed on 31 May 2016)

# General Information

## Investment Managers

AXA Investment Managers Paris, Coeur Défense, Tour B, La Défense 4, 100, Esplanade du Général de Gaulle, F-92400 Courbevoie, France (until 30 April 2016)  
Tour Majunga, 6, place de la Pyramide, F-92908 Paris La Défense, France (since 1 May 2016)

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

## Sub-Investment Managers

AXA Rosenberg Investment Management LLC, 4 Orinda Way, Orinda, California, 94563, United States of America

AXA Investment Managers Asia (Singapore) Ltd., 1, George Street, # 14-02/03, 15th Floor Singapore 049145, Singapore

## Agent to carry out Stock Lending and Repurchase Agreements Activities

AXA Investment Managers GS Limited, 7 Newgate Street, London EC1A 7NX, United Kingdom

## Custodian, Registrar and Transfer Agent, Domiciliary, Administrative and Paying Agent

State Street Bank Luxembourg S.C.A., 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

## Promotor

AXA Investment Managers, Coeur Défense, Tour B, La Défense 4, 100, Esplanade du Général de Gaulle, F-92400 Courbevoie, France (until 30 April 2016)  
Tour Majunga, 6, place de la Pyramide, F-92908 Paris La Défense, France (since 1 May 2016)

## Auditor

PricewaterhouseCoopers, Société coopérative, 2, rue Gerhard Mercator, B.P. 1443 L-1014 Luxembourg, Grand Duchy of Luxembourg

## Legal Adviser

Arendt & Medernach S.A., 41A, avenue J.F. Kennedy, L-2082 Luxembourg, Grand Duchy of Luxembourg

## Information to Shareholders

The Full Prospectus as well as the Key Investor Information Documents (“KIID”), the Articles of Association and any other information made available to the public at the registered office of the SICAV, the offices of the distributors agents in other countries, the Registrar and Transfer Agent.

The semi-annual and the annual reports can be obtained at the registered office of the Company, the offices of the Registrar Agent and at the offices of the distributors’ agents in other countries. Information on the issue and redemption prices is made available at the registered office of the Company.

These documents may also be downloaded from the website [www.axa-im-international.com](http://www.axa-im-international.com).

The net asset value of the SICAV is determined on a daily basis. The financial year of the SICAV ends on 31 December of each year.



# Foreign Distribution

## Regarding the Distribution of the SICAV in Belgium

AXA Bank Europe S.A., 25 Boulevard du Souverain, B-1170 Bruxelles is responsible for providing financial services in Belgium.

As at 31 December 2016, all Sub-Funds are registered in Belgium.

## Regarding the Distribution of the SICAV in France

BNP Securities Services, 3, rue d'Antin, F-75002 Paris is responsible for providing financial services in France.

As at 31 December 2016, all Sub-Funds are registered in France.

## Regarding the Distribution of the SICAV in Germany

Investors residing in Germany may obtain the full prospectus, the SICAV's Articles of Association, the latest annual report or latest semi-annual report, if published thereafter, free of charge from the Information Agent in Germany, AXA Investment Managers Deutschland GmbH, Im MediaPark 8a, D-50670 Köln. They may also request the Net Asset Value per Share, the latest issue, conversion and redemption prices as well as any other financial information relating to the SICAV available to Shareholders at the registered office of the SICAV.

Commerzbank AG, Theodor-Heuss- Allee 44-46, D-60486 Frankfurt am Main, provides the service of Paying and Information Agent for Germany.

As at 31 December 2016, all Sub-Funds are registered in Germany.

# Directors' Report

Dear Shareholders,

Your Board of Directors is pleased to report on the progress of your SICAV for the year from 1 January 2016 to 31 December 2016.

## The Financial markets through December 2016

2016 was primarily influenced by political events: the Brexit vote, the election of Donald Trump as US President and the rejection of constitutional reform by the referendum in Italy. Monetary policy began to normalise in the US, but the European Central Bank (ECB), the Bank of Japan (BoJ) and the Bank of England (BoE) continued with, or even expanded, their quantitative easing policies.

In the US, there was modest economic growth of around 1.6% in 2016, versus 2.6% in 2015. Consumer spending and a positive trade balance were the main drivers for expansion, while private investment remained depressed. The labour market continued to normalise with an unemployment rate of 4.6% at the end of the year, versus 5.0% at the end of 2015. The labour market improvement combined with the resurgence of inflation (of around 1.2% in 2016 after 0.1% in 2015) encouraged the Federal Reserve (Fed) to raise its rates to a range of 0.5%-0.75%. Market worries concerning the unexpected election of republican candidate Donald Trump to the White House were short-lived, although uncertainty remains high regarding the extent of the fiscal stimuli and protectionist measures that he will choose to implement.

In Europe, the UK voted to leave the European Union, confounding expectations and leading to David Cameron's resignation and replacement by Theresa May. Subject to parliamentary approval, Article 50 of the Treaty of Lisbon will be triggered by the end of March 2017. The BoE initiated a broad programme of monetary easing including, in particular, a 25 basis point cut in its base rate, and asset purchase schemes for UK government bonds of GBP 60 billion and for corporate bonds of GBP 10 billion.

Within the eurozone, economic growth was stable at around 1.6% in 2016, versus 1.9% in 2015. Consumption and investment were the drivers for growth, supported by a resurgence of confidence and low interest rates. The labour market continued to improve slowly with the unemployment rate moving from 10.4% at the end of 2015 to 9.7% at the end of 2016. Inflation again disappointed, remaining close to zero (0.2% on average for 2016), due to low energy prices, with underlying inflation remaining stable at around 0.9%. The ECB continued to implement an accommodative policy, lowering its rates in March and taking the decision to extend its asset purchase programme to the end of December 2017, and to expand its scope to include corporate debt. In Italy, a referendum rejecting constitutional reform led to the resignation of Prime Minister Matteo Renzi. Although the existing coalition managed to form a new government swiftly, the prospect of new elections and the difficulties encountered by the Italian banking sector continue to worry markets.

Japanese growth remained modest (1.0% in 2016 versus 1.2% in 2015), with the main boost coming from a significant fiscal stimulus package, while consumer spending is still struggling to recover. While inflation remains very weak, at around -0.1% for 2016, the BoJ has moved on to a target of yield curve control.

Uncertainty surrounding the potential protectionist measures to be introduced by Donald Trump proved a burden for some emerging country currencies, in particular Mexico, where the central bank raised rates twice. Elsewhere, Chinese economic growth continued to slow slightly, to 6.6% in 2016 from 6.9% in 2015. In Brazil, after controversial proceedings, the Senate voted to impeach President Dilma Rousseff for manipulating the budget. In Turkey, the failed coup and the hardening political stance of Recep Tayyip Erdogan have increased the risks of political instability in the region.

# Directors' Report

## The Financial markets through December 2016 (continued)

Against this backdrop, in 2016 equity markets performed differently from one region to the next, but were up overall with the global index rising by 9%. The top performers were the US with a rise of 10.9%, the United Kingdom with a jump of 19.2% on the back of sterling weakness, and Canada with a 20.3% increase aided by rising commodity prices. In contrast, performance was mediocre for Japan and Switzerland, with falls of 0.7% and 3.4%, respectively. Eurozone equity markets rose by an average 4.3%, driven by France (+8%) and Germany (+5.8%), with Spain (+1.9%) and Italy (-7.8%) lagging behind (MSCI indices with dividends reinvested in local currencies). In euro terms, the Pacific region excluding Japan rose 11.1% and emerging countries 14.5%. The best performing sectors for 2016 were energy, materials, technology, industrials and financials while healthcare, basic and durable consumer goods, telecommunications and utilities showed the worst performances (MSCI World index).

Finally, the performance of small caps slightly lagged behind that of large caps with the MSCI Europe Small Caps in euro rising 0.9% versus a 2.6% rise for the MSCI Europe.

Up until the autumn of 2016, bond markets were aided by ultra-accommodative monetary policies and low inflation expectations. The rise in risk aversion at the end of the first half pushed rates to new lows at the beginning of July 2016: 1.32% for the US 10-year yield and -0.21% for the German 10-year yield. In the last quarter, the rise in inflation expectations, reversals in central bank monetary policies and the election of Donald Trump provoked an across-the-board rise in rates. Year-on-year to the end of 2016, 10-year yields rose slightly in the US, by 0.17% to 2.44%. Meanwhile in the eurozone, there was a decline of 0.42% to 0.21% for Germany. In the eurozone, the yield spread between core and peripheral countries was stable, with yields falling 0.39% to 1.38% in Spain and rising by 0.22% to 1.82% in Italy. Spreads on the European credit market improved for investment grade debt, and even more so for high yield debt. Finally, breakeven inflation rates rose over the period with the Barclays eurozone index all maturities up 2.3%.

On the currency front, the euro depreciated versus most G10 currencies except the Swedish krone (4.3%) and pound sterling, which depreciated by 13.5% following the Brexit referendum in June 2016. So, versus the euro, the yen appreciated by 6.2%, the Canadian dollar by 6.3%, the US dollar by 3.3% and the Swiss franc by 1.6%.

On commodity markets, oil prices rose significantly, with a 55% increase in the US dollar Brent price. Gold also rose, by 8.6% in dollar terms, as did industrial metals; on the other hand, agricultural raw materials and livestock prices fell sharply; overall, the global GSCI Light Energy index rose by 5.7% in dollar terms over the period.

# Directors' Report

## SICAV Events

We inform you that the assets under management of the SICAV amount to 327,493,237 EUR as at 31 December 2016.

### I. Extraordinary General Meeting held on 22 September 2016 and 10 November 2016

We inform you that an Extraordinary General Meeting of the Company was held on 22 September 2016 to:

- Approve the amendment and update of the article 10 of the articles of incorporation of the Company in order to remove the reference to the date and time of the annual general meeting of shareholders which one has to be held not later than 4 months after the end of each financial year.
- Approve the amendment and update of the article 4 of the Articles in order to remove the condition according to which the transfer of the registered office of the Company to any other municipality should be decided by means of a resolution of the general meeting of shareholders.

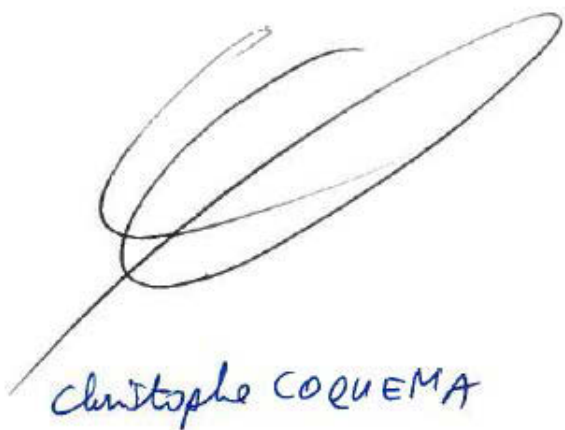
As the quorum requirements for voting the items of the agenda had not been reached on 22 September 2016, a second Extraordinary General Meeting was held on 10 November 2016 with the same agenda.

No other events occurred on the SICAV during the year 2016.

## Board of Directors

We inform you that, as there were no changes since the beginning of the year 2016, your Board of Directors is still composed, as at 31 December 2016 as follows:

Christophe Coquema, Chairman,  
Emmanuel Dendauw,  
Stephan Heitz,  
Jean-Louis Laforge,  
Michael Reinhard.



CHRISTOPHE COQUEMA

The Board of Directors  
Luxembourg, 25 April 2017



Jean-Louis LAFORGE  
AWF Director

Note: The figures stated in this report are historical and not necessarily indicative of future performance.



## Audit Report

To the Shareholders of  
**AXA World Funds II**

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We have audited the accompanying financial statements of AXA World Funds II (the "SICAV") and of each of its Sub-Funds, which comprise the statement of net assets and the schedule of investments and other net assets as at 31 December 2016 and the statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

### **Responsibility of the Board of Directors of the SICAV for the financial statements**

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Responsibility of the "Réviseur d'entreprises agréé"**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

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

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T: +352 494848 1, F: +352 494848 2900, [www.pwc.lu](http://www.pwc.lu)*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



## **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of AXA World Funds II and of each of its Sub-Funds as of 31 December 2016, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

## **Other information**

The Board of Directors of the SICAV is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 25 April 2017

A handwritten signature in black ink, appearing to read "Régis Malcourant", with a large, stylized flourish at the end.

Régis Malcourant

# Statement of Net Assets as at 31 December 2016

	Combined	AXA World Funds II Global Masters Equities	AXA World Funds II North American Equities
	EUR	USD	USD
<b>ASSETS</b>			
Investment portfolio at cost (note 2e)	298,167,625	11,391,237	146,608,576
Unrealised appreciation/(depreciation) on investment	24,229,516	2,289,405	24,033,479
<b>Investment portfolio at market value (note 2d)</b>	<b>322,397,141</b>	<b>13,680,642</b>	<b>170,642,055</b>
Cash and cash equivalent	1,309,952	75,169	633,938
Receivables resulting from sales of securities	16,014	-	-
Receivables resulting from subscriptions	19,220	7,614	698
Dividend and tax reclaim receivables	4,376,829	14,583	191,996
Other receivables	21,820	6,388	-
<b>Total assets</b>	<b>328,140,976</b>	<b>13,784,396</b>	<b>171,468,687</b>
<b>LIABILITIES</b>			
Payables resulting from purchases of securities	1,789	-	-
Payables resulting from redemptions	53,123	10,314	19,907
Accrued expenses	525,016	32,994	267,684
Other payables	67,811	2,381	50,976
<b>Total liabilities</b>	<b>647,739</b>	<b>45,689</b>	<b>338,567</b>
<b>NET ASSET VALUE</b>	<b>327,493,237</b>	<b>13,738,707</b>	<b>171,130,120</b>

The accompanying notes form an integral part of these financial statements.

# Statement of Net Assets as at 31 December 2016

	AXA World Funds II European Opportunities Equities EUR	AXA World Funds II Far East Equities JPY
<b>ASSETS</b>		
Investment portfolio at cost (note 2e)	141,337,576	864,945,469
Unrealised appreciation/(depreciation) on investment	(1,741,762)	124,823,451
<b>Investment portfolio at market value (note 2d)</b>	<b>139,595,814</b>	<b>989,768,920</b>
Cash and cash equivalent	532,990	12,873,951
Receivables resulting from sales of securities	16,014	-
Receivables resulting from subscriptions	10,214	138,444
Dividend and tax reclaim receivables	4,171,424	1,174,610
Other receivables	15,748	1,854
<b>Total assets</b>	<b>144,342,204</b>	<b>1,003,957,779</b>
<b>LIABILITIES</b>		
Payables resulting from purchases of securities	1,789	-
Payables resulting from redemptions	24,471	-
Accrued expenses	221,500	2,268,868
Other payables	-	2,118,540
<b>Total liabilities</b>	<b>247,760</b>	<b>4,387,408</b>
<b>NET ASSET VALUE</b>	<b>144,094,444</b>	<b>999,570,371</b>

The accompanying notes form an integral part of these financial statements.



# Statement of Operations and Changes in Net Assets for the year ended 31 December 2016

	Combined EUR	AXA World Funds II Global Masters Equities USD	AXA World Funds II North American Equities USD
<b>NET ASSET VALUE AT THE BEGINNING OF THE YEAR</b>	<b>332,582,999 *</b>	<b>18,411,169</b>	<b>163,575,853</b>
<b>INCOME</b>			
Dividends (note 2g)	10,948,431	367,192	3,211,895
Securities lending income (note 9)	6,771	68	7,074
<b>Total income</b>	<b>10,955,202</b>	<b>367,260</b>	<b>3,218,969</b>
<b>EXPENSES</b>			
Interest on cash accounts (note 2h)	1,747	-	-
Securities lending expenses	2,370	24	2,476
Transaction fees (note 7)	73,600	17,200	10,554
Accounting fees (note 6)	55,175	2,869	28,516
Custody fees (note 5)	23,573	1,462	11,406
General administration fees (note 5)	64,949	3,375	33,568
Legal fees	10,405	541	5,378
Management fees (note 4)	4,729,315	245,913	2,444,254
Professional fees	28,377	1,476	14,666
Publication and printing fees	44,455	2,311	22,976
Transfer agent fees (note 5)	325,377	16,919	168,165
Registration fees (note 5)	34,365	1,787	17,761
Regulatory fees	10,405	541	5,378
Taxation (note 3)	80,690	7,441	73,924
Other expenses	28,647	-	-
<b>Total expenses</b>	<b>5,513,450</b>	<b>301,859</b>	<b>2,839,022</b>
<b>NET INCOME FROM INVESTMENTS FOR THE YEAR</b>	<b>5,441,752</b>	<b>65,401</b>	<b>379,947</b>
<b>Net realised gain/(loss)</b>			
- on sales of investments (note 2f)	4,432,579	1,037,020	4,932,056
- on spot foreign exchange	(360,323)	(160,606)	16
- on forward foreign exchange contracts	66,277	10,707	99
- on futures	746,781	-	-
<b>Net realised gain/(loss) for the year</b>	<b>4,885,314</b>	<b>887,121</b>	<b>4,932,171</b>
<b>Net change in unrealised appreciation/(depreciation)</b>			
- on investments	4,203,148	140,703	10,015,162
<b>Net change in net assets for the year resulting from operations</b>	<b>14,530,214</b>	<b>1,093,225</b>	<b>15,327,280</b>
Net proceeds from subscriptions/redemptions	(19,619,976)	(5,765,687)	(7,773,013)
<b>NET ASSET VALUE AT THE END OF THE YEAR</b>	<b>327,493,237</b>	<b>13,738,707</b>	<b>171,130,120</b>

\* The opening balance was combined at the exchange ruling as at 31 December 2016. With the exchange rates prevailing as at 31 December 2015, this amount was equal to 327,054,005 EUR. Please refer to note 2b) for more details.

# Statement of Operations and Changes in Net Assets for the year ended 31 December 2016

	AXA World Funds II European Opportunities Equities EUR	AXA World Funds II Far East Equities JPY
<b>NET ASSET VALUE AT THE BEGINNING OF THE YEAR</b>	<b>151,254,189</b>	<b>1,081,025,186</b>
<b>INCOME</b>		
Dividends (note 2g)	7,334,093	27,188,340
Securities lending income (note 9)	-	-
<b>Total income</b>	<b>7,334,093</b>	<b>27,188,340</b>
<b>EXPENSES</b>		
Interest on cash accounts (note 2h)	1,747	-
Securities lending expenses	-	-
Transaction fees (note 7)	9,095	4,697,638
Accounting fees (note 6)	24,115	160,399
Custody fees (note 5)	-	1,398,923
General administration fees (note 5)	28,389	188,812
Legal fees	4,547	30,246
Management fees (note 4)	2,067,020	13,748,434
Professional fees	12,402	82,490
Publication and printing fees	19,430	129,235
Transfer agent fees (note 5)	142,211	945,892
Registration fees (note 5)	15,020	99,906
Regulatory fees	4,547	30,246
Taxation (note 3)	-	436,483
Other expenses	698	3,437,821
<b>Total expenses</b>	<b>2,329,221</b>	<b>25,386,525</b>
<b>NET INCOME FROM INVESTMENTS FOR THE YEAR</b>	<b>5,004,872</b>	<b>1,801,815</b>
<b>Net realised gain/(loss)</b>		
- on sales of investments (note 2f)	(1,127,364)	(12,211,363)
- on spot foreign exchange	3,469	(26,019,474)
- on forward foreign exchange contracts	57,030	(122,747)
- on futures	746,781	-
<b>Net realised gain/(loss) for the year</b>	<b>(320,084)</b>	<b>(38,353,584)</b>
<b>Net change in unrealised appreciation/(depreciation)</b>		
- on investments	(5,646,741)	27,209,740
<b>Net change in net assets for the year resulting from operations</b>	<b>(961,953)</b>	<b>(9,342,029)</b>
Net proceeds from subscriptions/redemptions	(6,197,792)	(72,112,786)
<b>NET ASSET VALUE AT THE END OF THE YEAR</b>	<b>144,094,444</b>	<b>999,570,371</b>

The accompanying notes form an integral part of these financial statements.

## Statistics - Total Net Assets

	Currency	Total Net Assets as at 31 December 2016	Total Net Assets as at 31 December 2015	Total Net Assets as at 31 December 2014
AXA World Funds II - Global Masters Equities	USD	13,738,707	18,411,169	21,723,618
AXA World Funds II - North American Equities	USD	171,130,120	163,575,853	190,371,780
AXA World Funds II - European Opportunities Equities	EUR	144,094,444	151,254,189	179,759,452
AXA World Funds II - Far East Equities	JPY	999,570,371	1,081,025,186	1,262,997,921

## Statistics - Quantity of Shares and Net Asset Value per Share

	Quantity of shares as at 31 December 2016	Net Asset Value per Share in local currency as at 31 December 2016	Net Asset Value per Share in local currency as at 31 December 2015	Net Asset Value per Share in local currency as at 31 December 2014
<b>AXA World Funds II - Global Masters Equities</b>				
A Capitalisation USD	165,083.750	5.66	5.28	5.42
A Distribution USD	2,077,694.250	5.66	5.28	5.42
I Distribution USD	182,738.400	5.69	5.30	5.44
<b>AXA World Funds II - North American Equities</b>				
A Capitalisation USD	144,754.480	15.27	13.88	14.50
A Distribution USD	9,601,661.790	15.26	13.88	14.50
I Capitalisation USD	7,049.040	15.36	13.96	14.58
I Distribution USD	1,449,144.030	15.37	13.97	14.59
<b>AXA World Funds II - European Opportunities Equities</b>				
A Distribution EUR	13,232,675.630	10.13	10.17	9.14
I Distribution EUR	985,092.680	10.17	10.21	9.17
<b>AXA World Funds II - Far East Equities</b>				
A Capitalisation JPY	1,150,377.530	317.00	317.70	330.90
A Capitalisation USD	511,470.490	2.72	2.64	2.75
A Distribution JPY	1,108,536.920	316.90	317.60	330.80
A Distribution USD	169,581.690	2.72	2.63	2.74
I Distribution JPY	212,086.120	318.90	319.50	332.60

# Schedule of Investments and Other Net Assets as at 31 December 2016 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets
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## TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET

### AUD Equities

Commonwealth Bank Australia	2,400	143,215	1.04
		<b>143,215</b>	<b>1.04</b>

### CHF Equities

ABB Ltd	4,800	101,445	0.74
Nestle SA	3,400	244,374	1.78
Novartis AG	2,000	145,816	1.06
Roche Holding AG	1,270	290,650	2.12
Swatch Group	40	12,464	0.09
Swiss Reinsurance Ltd	700	66,463	0.48
		<b>861,212</b>	<b>6.27</b>

### DKK Equities

Vestas Wind Systems AS	200	13,022	0.09
		<b>13,022</b>	<b>0.09</b>

### EUR Equities

Allianz	300	49,679	0.36
Enel SpA	6,000	26,504	0.19
Iberdrola SA	10,000	65,753	0.48
Repsol YPF SA	4,500	63,696	0.46
Royal Dutch Shell Plc	6,681	183,111	1.33
Siemens AG	2,160	266,101	1.94
Total SA	1,200	61,665	0.45
Unilever NV	200	8,251	0.06
		<b>724,760</b>	<b>5.27</b>

### GBP Equities

BP Plc	26,000	163,719	1.19
British American Tobacco Plc	1,400	79,948	0.58
British Sky Broadcasting	400	4,898	0.04
BT Group Plc	32,000	145,075	1.06
Diageo Plc	2,900	75,609	0.55
HSBC Holdings Plc	11,700	94,969	0.69
Imperial Tobacco Group Plc	2,500	109,432	0.80
		<b>673,650</b>	<b>4.91</b>

Description	Quantity/ Nominal Value	Market Value*	% of net assets
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### JPY Equities

Mitsubishi Tokyo Financial Group Inc	20,400	125,966	0.92
Toyota Motor Corp	4,100	241,778	1.76
		<b>367,744</b>	<b>2.68</b>

### USD Equities

Abbvie Inc	1,700	106,454	0.77
AES Corp	900	10,458	0.08
Alphabet Inc	590	467,546	3.40
Alphabet Inc	300	231,546	1.69
Amazon.com Inc	500	374,935	2.73
Amgen Inc	900	131,589	0.96
Apple Computer Inc	6,800	787,577	5.72
AT&T Inc	7,100	301,963	2.20
Bank of America Corp	19,800	437,580	3.19
Berkshire Hathaway Inc	1,800	293,364	2.14
Best Buy Co Inc	200	8,534	0.06
Ca Inc	1,800	57,186	0.42
Centurylink Inc	1,300	30,914	0.23
Chevrontexaco Corp	1,400	164,780	1.20
Cisco Systems Inc	6,100	184,342	1.34
Citigroup Inc	4,300	255,549	1.86
Coca Cola Co	2,400	99,504	0.72
Coca Cola European Partners	1,400	43,960	0.32
Comcast Corp	3,000	207,150	1.51
Cummins Inc	100	13,667	0.10
Dr Pepper Snapple Group Inc	600	54,402	0.40
Ebay Inc	3,100	92,039	0.67
Exelon Corp	3,300	117,117	0.85
Exxon Mobil Corp	4,400	397,144	2.89
Facebook Inc	2,900	333,645	2.43
GAP Inc	1,300	29,172	0.21
General Electric Co	8,100	255,960	1.86
General Motors Co	1,300	45,292	0.33
Gilead Sciences Inc	3,200	229,152	1.67
HCA Holdings Inc	200	14,804	0.11
Hess Corp	1,200	74,748	0.54
HP Inc	3,400	50,456	0.37
Intel Corp	10,500	380,835	2.77
International Business Machines	2,100	348,579	2.54
Johnson & Johnson	5,100	587,571	4.27

The accompanying notes form an integral part of these financial statements.  
\*Please refer to note 2d) for more information on valuation of Investments.

## Schedule of Investments and Other Net Assets as at 31 December 2016 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>USD Equities (continued)</b>			
JP Morgan Chase & Co	5,200	448,708	3.27
Loews Corp	1,000	46,830	0.34
Marathon Oil Corp	3,800	65,778	0.48
Merck & Co Inc	1,800	105,966	0.77
Microsoft Corp	8,900	553,046	4.02
Noble Energy Inc	1,300	49,478	0.36
Oracle Corp	5,400	207,630	1.51
Pentair Plc	800	44,856	0.33
Pepsico Inc	2,500	261,575	1.90
Pfizer Inc	11,800	383,264	2.79
Philip Morris International Inc	700	64,043	0.47
Procter & Gamble Co	2,100	176,568	1.29
Qualcomm Inc	2,700	176,040	1.28
Samsung Electronics Co Ltd	306	228,582	1.66
Schlumberger Ltd	300	25,185	0.18
Symantec Corp	3,200	76,448	0.56
Tyson Foods Inc CL A	700	43,176	0.31
United Technologies Corp	1,300	142,506	1.04
Valero Energy Corp	1,100	75,152	0.55
Verizon Communications	5,300	282,914	2.06
Visa Inc	900	70,218	0.51
WalMart Stores Inc	300	20,736	0.15
Walt Disney Co	700	72,954	0.53
Xerox Corp	6,400	55,872	0.41
		<b>10,897,039</b>	<b>79.32</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>			
		<b>13,680,642</b>	<b>99.58</b>
<b>Total Investment in Securities</b>			
		<b>13,680,642</b>	<b>99.58</b>
Cash and cash equivalent		75,169	0.55
Other Net Liabilities		(17,104)	(0.13)
<b>TOTAL NET ASSETS</b>		<b>13,738,707</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.  
\*Please refer to note 2d) for more information on valuation of Investments.

## Classification as at 31 December 2016

### Economical Classification of Schedule of Investments

	% of Net Assets
Internet, Software and IT Services	15.00
Banks	10.97
Communications	10.60
Oil and Gas	9.63
Technology	8.63
Pharmaceuticals and Biotechnology	8.02
Food and Beverages	7.09
Healthcare	6.50
Financial Services	4.08
Electrical Appliances and Components	3.35
Semiconductor Equipment and Products	2.77
Automobiles	2.09
Media	2.08
Miscellaneous Manufacture	1.86
Consumer, Non-cyclical	1.29
Insurance	1.18
Aerospace and Defence	1.04
Agriculture	0.80
Engineering and Construction	0.74
Commercial Services and Supplies	0.51
Retail	0.51
Office and Business Equipment	0.41
Machinery	0.33
Mechanical Engineering and Industrial Equipments	0.10
	<b>99.58</b>

### Geographical Classification of Schedule of Investments and Other Net Assets

Allocation Criteria: Geographical	Investment MM US\$	% of Net Assets	Market Value in Sub-Fund Currency
Australia	0.14	1.04	143,215
Denmark	0.01	0.09	13,022
France	0.06	0.45	61,665
Germany	0.32	2.30	315,780
Italy	0.03	0.19	26,504
Japan	0.37	2.68	367,744
Korea, Republic of	0.23	1.66	228,582
Spain	0.13	0.94	129,449
Switzerland	0.86	6.27	861,212
The Netherlands	0.18	1.33	183,111
United Kingdom	0.77	5.61	770,717
United States of America	10.58	77.02	10,579,641
Others	0.06	0.42	58,065
	<b>13.74</b>	<b>100.00</b>	<b>13,738,707</b>

# Schedule of Investments and Other Net Assets as at 31 December 2016 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets
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## TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET

### USD Equities

Abbott Laboratories	64,700	2,485,127	1.45
Abbvie Inc	35,700	2,235,534	1.31
Alphabet Inc	1,578	1,217,932	0.71
Alphabet Inc	5,790	4,588,286	2.68
Altria Group Inc	42,400	2,867,088	1.68
Amazon.com Inc	2,400	1,799,688	1.05
Amdocs Ltd	19,700	1,147,525	0.67
American Airlines Group Inc	46,800	2,185,092	1.28
American Express Co	37,600	2,785,408	1.63
Amgen Inc	13,000	1,900,730	1.11
Apple Computer Inc	40,300	4,667,546	2.73
Aramark Services Inc	28,800	1,028,736	0.60
Assured Guaranty Ltd	20,900	789,393	0.46
AT&T Inc	35,500	1,509,815	0.88
Automatic Data Processing	27,900	2,867,562	1.68
Autozone Inc	2,900	2,290,391	1.34
Avon Products Inc	49,900	251,496	0.15
Bank of America Corp	92,000	2,033,200	1.19
Berkshire Hathaway Inc	11,400	1,857,972	1.09
Best Buy Co Inc	40,800	1,740,936	1.02
Briggs & Stratton	8,300	184,758	0.11
Brunswick Corp	11,400	621,756	0.36
Bunge Ltd	15,700	1,134,168	0.66
Ca Inc	69,500	2,208,015	1.29
Centene Corp	5,100	288,201	0.17
Chevrontexaco Corp	1,900	223,630	0.13
Cirrus Logic Inc	7,100	401,434	0.23
Cisco Systems Inc	20,200	610,444	0.36
Citigroup Inc	26,200	1,557,066	0.91
CNA Financial Corp	8,700	361,050	0.21
Coca Cola Co	14,400	597,024	0.35
Coca Cola European Partners	49,800	1,563,720	0.91
Comcast Corp	8,900	614,545	0.36
Conocophillips	59,988	3,007,798	1.76
Cummins Inc	17,400	2,378,058	1.39
Darden Restaurants Inc	20,800	1,512,576	0.88
Deluxe Corp	6,305	451,501	0.26
Dr Pepper Snapple Group Inc	25,700	2,330,219	1.36
DST Systems Inc	3,800	407,170	0.24

Description	Quantity/ Nominal Value	Market Value*	% of net assets
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### USD Equities (continued)

Ebay Inc	81,000	2,404,890	1.41
Equity Residential	3,800	244,568	0.14
Everest Re Group Ltd	4,900	1,060,360	0.62
Eversource Energy	9,800	541,254	0.32
Extended Stay America Inc	8,700	140,505	0.08
Exxon Mobil Corp	19,700	1,778,122	1.04
Facebook Inc	14,400	1,656,720	0.97
Flowers Foods Inc	20,000	399,400	0.23
Gamestop Corp	15,700	396,582	0.23
Gaming And Leisure Properties	16,700	511,354	0.30
GAP Inc	28,100	630,564	0.37
General Electric Co	24,900	786,840	0.46
General Motors Co	50,200	1,748,968	1.02
Gilead Sciences Inc	32,100	2,298,681	1.34
Graham Holdings Co Class B	100	51,195	0.03
Harris Corp	17,100	1,752,237	1.02
HCA Holdings Inc	11,700	866,034	0.51
Hess Corp	33,900	2,111,631	1.23
Home Depot Inc	5,700	764,256	0.45
Hospitality Properties Trust	13,900	441,186	0.26
Host Hotels & Resorts Inc	37,600	708,384	0.41
HP Inc	101,720	1,509,525	0.88
Huntington Ingalls Industrial	2,600	478,894	0.28
IAC/Interactive Corp	11,800	764,522	0.45
Idexx Laboratories Inc	10,000	1,172,700	0.69
Ingredion Inc	8,830	1,103,397	0.64
Intel Corp	102,200	3,706,794	2.17
International Business Machines	21,400	3,552,186	2.08
Iron Mountain Inc	17,900	581,392	0.34
Johnson & Johnson	41,600	4,792,736	2.80
JP Morgan Chase & Co	32,600	2,813,054	1.64
Lasalle Hotel Properties	14,400	438,768	0.26
Loews Corp	48,100	2,252,523	1.32
LyondellBasell Industries	30,000	2,573,400	1.50
Marathon Oil Corp	42,100	728,751	0.43
Marketaxess Holdings Inc	2,100	308,532	0.18
Mastercard Inc	900	92,925	0.05
McDonalds Corp	600	73,032	0.04
Medical Properties Trust Inc	43,500	535,050	0.31
Medtronic Plc	2,000	142,460	0.08

The accompanying notes form an integral part of these financial statements.  
\*Please refer to note 2d) for more information on valuation of Investments.



# Schedule of Investments and Other Net Assets as at 31 December 2016 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>USD Equities (continued)</b>			
Merck & Co Inc	11,600	682,892	0.40
Microsoft Corp	55,400	3,442,556	2.01
Moody's Corp	20,730	1,954,217	1.14
Murphy Oil Corp	30,100	937,013	0.55
Nasdaq OMX Group	16,400	1,100,768	0.64
Noble Energy Inc	51,300	1,952,478	1.14
Nuance Communications Inc	29,220	435,378	0.25
Nvidia Corp	22,450	2,396,313	1.40
Oracle Corp	8,500	326,825	0.19
Pentair Plc	36,200	2,029,734	1.19
Pepsico Inc	5,100	533,613	0.31
Pfizer Inc	115,000	3,735,200	2.18
Philip Morris International Inc	4,300	393,407	0.23
Popular Inc	11,800	517,076	0.30
Priceline.com Inc	1,400	2,052,484	1.20
Procter & Gamble Co	5,000	420,400	0.25
Public Service Enterprise Gp	54,800	2,404,624	1.41
Public Storage Inc	1,310	292,785	0.17
Qualcomm Inc	1,400	91,280	0.05
Quanta Services Inc	37,900	1,320,815	0.77
Regal Beloit Corp	5,100	353,175	0.21
Republic Services Inc	34,700	1,979,635	1.16
Rlj Lodging Trust	9,400	230,206	0.13
Senior Housing Prop Trust	26,200	495,966	0.29
Southwest Gas Corp	5,900	452,058	0.26
Stanley Black & Decker Inc	6,900	791,361	0.46
Staples Inc	78,600	711,330	0.42
Swift Transportation Co	9,100	221,676	0.13
Symantec Corp	89,600	2,140,544	1.25
Synopsys Inc	18,600	1,094,796	0.64
T Rowe Price Group Inc	3,700	278,462	0.16
Tegna Inc	28,000	598,920	0.35
Teradata Corp	36,100	980,837	0.57
Travelers Cos Inc	20,700	2,534,094	1.48
Tyson Foods Inc CL A	32,600	2,010,768	1.17
United Technologies Corp	25,000	2,740,500	1.60
Unitedhealth Group Inc	2,560	409,702	0.24
Universal Corp/Va	1,500	95,625	0.06
US Bancorp	14,500	744,865	0.44
Valero Energy Corp	44,000	3,006,080	1.76
Vereit Inc	49,300	417,078	0.24

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>USD Equities (continued)</b>			
Verizon Communications	21,600	1,153,008	0.67
VF Corp	38,600	2,059,310	1.20
Viacom Inc	45,700	1,604,070	0.94
Visa Inc	6,800	530,536	0.31
Wells Fargo & Company	40,900	2,253,999	1.32
Western Union Co	81,800	1,776,696	1.04
Willis Towers Watson Plc	2,780	339,938	0.20
		<b>170,642,055</b>	<b>99.71</b>

**TOTAL TRANSFERABLE SECURITIES  
ADMITTED TO AN OFFICIAL EXCHANGE  
LISTING OR DEALT IN ON ANOTHER  
REGULATED MARKET**

**170,642,055 99.71**

**Total Investment in Securities**

**170,642,055 99.71**

Cash and cash equivalent	633,938	0.37
Other Net Liabilities	(145,873)	(0.08)

**TOTAL NET ASSETS 171,130,120 100.00**

The accompanying notes form an integral part of these financial statements.  
\*Please refer to note 2d) for more information on valuation of Investments.

## Classification as at 31 December 2016

### Economical Classification of Schedule of Investments

	% of Net Assets
Internet, Software and IT Services	15.53
Oil and Gas	8.30
Technology	7.52
Pharmaceuticals and Biotechnology	7.03
Food and Beverages	6.46
Banks	5.80
Healthcare	5.25
Insurance	4.29
Commercial Services and Supplies	3.82
Semiconductor Equipment and Products	3.80
Financial Services	3.70
Communications	2.93
Retail	2.53
Real Estate	2.21
Electrical Appliances and Components	1.94
Aerospace and Defence	1.88
Machinery	1.76
Tobacco and Alcohol	1.74
Media	1.65
Hotels, Restaurants and Leisure	1.54
Chemicals	1.50
Traffic and Transportation	1.41
Mechanical Engineering and Industrial Equipments	1.39
Consumer, Non-cyclical	1.29
Textiles, Garments and Leather Goods	1.20
Environmental Control	1.16
Automobiles	1.02
Miscellaneous Manufacture	0.46
Industrial	0.34
Personal Products	0.15
Consumer, Cyclical	0.08
Household Products and Durables	0.03
	<b>99.71</b>

### Geographical Classification of Schedule of Investments and Other Net Assets

Allocation Criteria: Geographical	Investment MM US\$	% of Net Assets	Market Value in Sub-Fund Currency
Bermuda	1.85	1.08	1,849,753
Ireland	0.14	0.08	142,460
Puerto Rico	0.52	0.30	517,076
United Kingdom	3.93	2.30	3,933,392
United States of America	164.20	95.95	164,199,374
Others	0.49	0.29	488,065
	<b>171.13</b>	<b>100.00</b>	<b>171,130,120</b>

## Schedule of Investments and Other Net Assets as at 31 December 2016 (in EUR)

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>OPEN-ENDED INVESTMENT FUNDS</b>			
<b>EUR Open-Ended Investment Funds</b>			
AXA World Funds - Framlington Europe Opportunities M Distribution EUR	1,178,024	139,595,814	96.88
		<b>139,595,814</b>	<b>96.88</b>
<b>TOTAL OPEN-ENDED INVESTMENT FUNDS</b>		<b>139,595,814</b>	<b>96.88</b>
<b>Total Investment in Securities</b>		<b>139,595,814</b>	<b>96.88</b>
Cash and cash equivalent		532,990	0.37
Other Net Assets		3,965,640	2.75
<b>TOTAL NET ASSETS</b>		<b>144,094,444</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

\*Please refer to note 2d) for more information on valuation of Investments.

## Classification as at 31 December 2016

### Economical Classification of Schedule of Investments

	% of Net Assets
Open-Ended Investment Funds	96.88
	<b>96.88</b>

### Geographical Classification of Schedule of Investments and Other Net Assets

Allocation Criteria: Geographical	Investment MM US\$	% of Net Assets	Market Value in Sub-Fund Currency
Luxembourg	147.24	96.88	139,595,814
Others	4.74	3.12	4,498,630
	<b>151.98</b>	<b>100.00</b>	<b>144,094,444</b>

# Schedule of Investments and Other Net Assets as at 31 December 2016 (in JPY)

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>			
<b>AUD Equities</b>			
Adelaide Brighton Ltd	1,300	596,171	0.06
AMP Ltd	8,100	3,447,807	0.34
Ansell Ltd	500	1,043,446	0.10
Aurizon Holdings Ltd	9,700	4,137,047	0.41
Aust & Nz Banking Group	100	256,913	0.03
Bluescope Steel Ltd	2,000	1,567,492	0.16
Boral Ltd	5,000	2,284,518	0.23
Coca Cola Amatil Ltd	4,600	3,931,567	0.39
Commonwealth Bank Australia	1,000	6,959,968	0.70
Dexus Property Group	4,652	3,779,568	0.38
Downer Edi Ltd	1,400	720,067	0.07
Duet Group	10,900	2,522,345	0.25
Evolution Mining Ltd	5,200	931,036	0.09
Flight Centre Travel Group Ltd	500	1,321,727	0.13
General Property Trust	9,200	3,908,257	0.39
Goodman Group	1,000	602,167	0.06
Harvey Norman Holdings Ltd	700	303,870	0.03
Mineral Resources Ltd	300	307,080	0.03
Mirvac Group	18,000	3,238,020	0.32
National Australia Bank Ltd	2,100	5,439,518	0.54
Newcrest Mining Ltd	3,400	5,814,753	0.58
Northern Star Resources Ltd	2,000	611,457	0.06
Nufarm Ltd	900	696,250	0.07
Origin Energy Ltd	6,900	3,840,271	0.38
Oz Minerals Ltd	1,000	666,353	0.07
Qantas Airways Ltd	6,500	1,828,037	0.18
Resolute Mining Ltd	4,700	516,022	0.05
Rio Tinto Ltd	1,100	5,564,765	0.56
Seven Group Holdings Ltd	900	595,917	0.06
Sims Metal Management Ltd	557	603,544	0.06
South32 Ltd	23,400	5,434,704	0.54
St Barbara Ltd	3,500	603,011	0.06
Star Entertainment Group	3,600	1,571,884	0.16
Telstra Corp Ltd	27,600	11,887,940	1.20
Vicinity Centres	19,600	4,949,423	0.50
Vocus Communications Ltd	2,600	849,790	0.09
Wesfarmers Ltd	2,100	7,473,795	0.75

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>AUD Equities (continued)</b>			
Westpac Banking Corp	1,400	3,854,544	0.39
Whitehaven Coal Ltd	3,200	705,371	0.07
Worleyparsons Ltd	800	656,725	0.07
		<b>106,023,140</b>	<b>10.61</b>
<b>HKD Equities</b>			
Agricultural Bank of China	93,000	4,448,983	0.45
AIA Group Ltd	10,800	7,108,084	0.71
Bank of China Ltd	156,000	8,072,978	0.81
Bank of Chongqing Co Ltd	13,000	1,284,871	0.13
Beijing Enterprises Holdings	6,000	3,308,080	0.33
China Cinda Asset Management	124,000	5,241,779	0.52
China Citic Bank Corp Ltd	29,000	2,150,778	0.22
China Communications Services Corp Ltd	28,000	2,080,826	0.21
China Construction Bank	132,000	11,854,929	1.20
China Everbright Bank Co	58,000	3,080,019	0.31
China Lesso Group Holdings Ltd	11,000	832,360	0.08
China Merchants Bank	1,000	273,492	0.03
China Minsheng Banking	32,000	3,990,756	0.40
China Mobile Ltd	1,000	1,236,581	0.12
China Overseas Land & Investment	18,000	5,564,614	0.56
China Power International	28,000	1,183,628	0.12
China Resources Power Holdin	21,000	3,892,071	0.39
China Zhongwang Holdings Ltd	22,000	1,092,163	0.11
Chongqing Rural Commercial	47,000	3,217,066	0.32
CK Hutchison Holdings Ltd	6,000	7,933,975	0.79
Country Garden Holdings Co Ltd	67,000	4,374,367	0.44
Dongfeng Motor Group Co Ltd	32,000	3,644,153	0.36
First Pacific Co	14,000	1,141,506	0.11
GCL Poly Energy Holdings Ltd	69,000	965,345	0.10
Guangzhou R&F Properties	13,000	1,834,412	0.18
Hong Kong Exchanges and Clearing Ltd	400	1,102,392	0.11
Huadian Power International Corp	52,000	2,745,751	0.27
Industrial & Commercial Bank of China	126,000	8,814,024	0.88
Kingboard Chemical Holdings	3,500	1,237,333	0.12
KWG Property Holding Ltd	1,500	99,288	0.01

The accompanying notes form an integral part of these financial statements.  
\*Please refer to note 2d) for more information on valuation of Investments.

## Schedule of Investments and Other Net Assets as at 31 December 2016 (in JPY)

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>HKD Equities (continued)</b>			
Link REIT	10,000	7,581,956	0.76
PCCW Ltd	36,000	2,274,587	0.23
People's Insurance Co Group	129,000	5,938,296	0.59
Picc Property & Casualty	18,000	3,271,072	0.33
Ping An Insurance Group Co	2,000	1,167,380	0.12
Powerlong Real Estate Holding	23,000	785,424	0.08
Qingdao Port International	15,000	843,944	0.08
Shandong Chenming Paper	9,000	1,081,783	0.11
Skyworth Digital Holdings Ltd	12,000	797,911	0.08
Tencent Holdings Ltd	6,700	19,120,218	1.92
Weiqiao Textile Co Ltd	8,000	583,690	0.06
Wharf Holdings Ltd	13,000	10,081,444	1.01
Wheelock & Co Ltd	10,000	6,566,515	0.66
Xinyi Glass Holdings Ltd	12,000	1,144,514	0.11
Yuzhou Properties Co	15,000	609,264	0.06
		<b>165,654,602</b>	<b>16.59</b>

### IDR Equities

Bank Negara Indonesia Perser	61,000	2,917,715	0.29
Bank Rakyat Indonesia Perser	99,000	10,006,283	1.00
PT Gudang Garam Tbk	4,000	2,212,797	0.22
		<b>15,136,795</b>	<b>1.51</b>

### INR Equities

Apollo Tyres Ltd	2,210	701,662	0.07
Bharat Petroleum Corp Ltd	5,660	6,166,269	0.62
Chennai Petroleum Corp Ltd	940	442,457	0.04
Great Eastern Shipping Co	1,130	704,817	0.07
Hindalco Industries Ltd	4,480	1,191,791	0.12
Hindustan Petroleum Corp	3,210	2,441,836	0.24
Hindustan Zinc Ltd	13,560	5,942,250	0.59
Indian Oil Corp Ltd	12,040	6,682,098	0.67
Jsw Steel Ltd	890	2,478,660	0.25
Oil & Natural Gas Corp Ltd	32,430	10,633,503	1.06
Power Finance Corporation	10,180	2,129,067	0.21
Reliance Industries Ltd	5,930	11,013,133	1.10
Reliance Infrastructure Ltd	930	745,405	0.07
Reliance Power Ltd	9,810	693,729	0.07
Rural Electrification Corp	6,260	1,338,814	0.13

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>INR Equities (continued)</b>			
Shipping Corp of India Ltd	3,490	350,859	0.04
Tata Motors Ltd	4,110	3,318,932	0.33
Vardhman Textiles Ltd	370	708,302	0.07
		<b>57,683,584</b>	<b>5.75</b>

### JPY Equities

ABC Mart	400	2,648,000	0.26
Adastria Co Ltd	600	1,818,000	0.18
Aeon Co Ltd	2,800	4,636,800	0.46
Aeon Financial Service Co Ltd	1,500	3,115,500	0.31
Aisin Seiki Co Ltd	800	4,056,000	0.41
Aoki Holdings Inc	900	1,294,200	0.13
Asahi Glass Co Ltd	6,000	4,776,000	0.48
Asahi Kasei Corp	4,000	4,078,000	0.41
Astellas Pharma Inc	5,000	8,117,500	0.81
Bandai Namco Holdings Inc	1,100	3,547,500	0.35
Belluna Co Ltd	700	504,000	0.05
Bridgestone Corp	200	842,800	0.08
Brother Industries Ltd	1,600	3,374,400	0.34
Canon Inc	2,600	8,567,000	0.86
Concordia Financial Group Lt	7,000	3,938,200	0.39
Credit Saison Co Ltd	1,600	3,323,200	0.33
Daiichi Sankyo	1,900	4,543,850	0.45
Daito Trust Const	300	5,274,000	0.53
Daiwa House Industry Co Ltd	2,000	6,392,000	0.64
Daiwa Securities Group Inc	8,000	5,762,400	0.58
DIC Corp	900	3,195,000	0.32
East Japan Railway Co	800	8,080,000	0.81
Edion Corp	1,200	1,315,200	0.13
Ezaki Glico Co Ltd	1,000	5,480,000	0.55
Fanuc Ltd	200	3,963,000	0.40
Fuji Heavy Industries Ltd	200	954,400	0.10
Fujitsu General Ltd	2,000	4,948,000	0.50
Fujitsu Ltd	8,000	5,196,000	0.52
Geo Holdings Corp	600	817,200	0.08
GMO Payment Gateway Inc	300	1,560,000	0.16
H2o Retailing Corp	1,000	1,784,000	0.18
Heiwa Corp	1,000	2,672,000	0.27
Hitachi High Technologies Co	700	3,300,500	0.33
Hitachi Ltd	13,000	8,216,000	0.82
Honda Motor Co Ltd	3,300	11,269,500	1.13

The accompanying notes form an integral part of these financial statements.  
\*Please refer to note 2d) for more information on valuation of Investments.

## Schedule of Investments and Other Net Assets as at 31 December 2016 (in JPY)

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>JPY Equities (continued)</b>			
Hoya Corp	1,300	6,384,300	0.64
Iida Group Holdings Co Ltd	2,000	4,434,000	0.44
Inpex Corp	3,600	4,215,600	0.42
Itochu Corp	4,700	7,294,400	0.73
Japan Retail Fund Investment	14	3,312,400	0.33
Japan Tobacco Inc	700	2,690,800	0.27
Jtekt Corp	1,600	2,992,000	0.30
Kaken Pharmaceutical Co Ltd	800	4,960,000	0.50
Kao Corp	200	1,108,200	0.11
KDDI Corp	3,600	10,654,200	1.07
Kirin Holdings Co Ltd	3,000	5,704,500	0.57
Komatsu Ltd	200	529,500	0.05
Konica Minolta Inc	4,000	4,644,000	0.46
Kuraray Co Ltd	2,000	3,512,000	0.35
Matsumotokiyo Holdings Co	500	2,880,000	0.29
Mitsubishi Chemical Holdings	7,000	5,306,000	0.53
Mitsubishi Corp	800	1,992,000	0.20
Mitsubishi Electric Corp	1,000	1,629,500	0.16
Mitsubishi Heavy Industries	10,000	5,326,000	0.53
Mitsubishi Tokyo Financial Group Inc	12,400	8,930,480	0.89
Mitsui & Co Ltd	600	964,200	0.10
Mixi Inc	800	3,416,000	0.34
Mizuho Financial Group Inc	29,900	6,273,020	0.63
Ms&Ad Insurance Group Holdin	1,700	6,160,800	0.62
Murata Manufacturing Co Ltd	100	1,565,000	0.16
Nintendo Co Ltd	200	4,908,000	0.49
Nippon Telegraph & Telephone	300	1,473,600	0.15
Nissan Motor Co Ltd	6,600	7,758,300	0.78
Nojima Corp	400	504,000	0.05
Nomura Holdings Inc	1,100	758,010	0.08
Nomura Real Estate Holdings Inc	1,700	3,379,600	0.34
NTT Docomo Inc	3,100	8,255,300	0.83
Okinawa Cellular Telephone	300	1,045,500	0.10
Oracle Corp Japan	600	3,534,000	0.35
Orix Corp	4,100	7,478,400	0.75
Otsuka Holdings Co Ltd	1,400	7,130,200	0.71
Panasonic Corp	2,100	2,497,950	0.25
Resona Holdings Inc	9,100	5,455,450	0.55

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>JPY Equities (continued)</b>			
Rohm Co Ltd	600	4,038,000	0.40
Ryohin Keikaku Co Ltd	200	4,582,000	0.46
Sawai Pharmaceutical Co Ltd	400	2,512,000	0.25
Sega Sammy Holdings Inc	1,800	3,130,200	0.31
Sekisui House Ltd	3,000	5,836,500	0.58
Seven & I Holdings Co Ltd	1,400	6,234,200	0.62
Shin-Etsu Chemical Co Ltd	100	906,700	0.09
Skylark Co Ltd	3,000	4,632,000	0.46
Softbank Corp	900	6,988,500	0.70
Sony Corp	900	2,947,500	0.29
Sumitomo Chemical Co Ltd	9,000	5,004,000	0.50
Sumitomo Corp	3,700	5,089,350	0.51
Sumitomo Mitsui Financial Group Inc	1,000	4,460,000	0.45
Sumitomo Mitsui Trust Holdin	1,100	4,601,300	0.46
Takeda Pharmaceutical Co Ltd	400	1,934,000	0.19
TDK Corp	600	4,824,000	0.48
Teijin Ltd	2,000	4,738,000	0.47
Tokio Marine Holdings Inc	400	1,918,400	0.19
Tokyo Electron Ltd	500	5,522,500	0.55
Tokyu Fudosan Holdings Corp	4,600	3,174,000	0.32
Tosoh Corp	4,000	3,308,000	0.33
Towa Pharmaceutical Co Ltd	100	458,000	0.05
Toyota Boshoku Corp	1,000	2,687,000	0.27
Toyota Motor Corp	3,000	20,634,000	2.07
Toyota Tsusho Corp	1,600	4,872,000	0.49
TS Tech Co Ltd	800	2,408,000	0.24
		<b>421,857,510</b>	<b>42.20</b>

### KRW Equities

BNK Financial Group Inc	1,380	1,156,732	0.12
Hanwha Chemical Corp	670	1,598,106	0.16
Hyundai Motor Co Ltd	420	5,921,558	0.59
Hyundai Steel Co	540	2,972,367	0.30
JB Financial Group Co Ltd	940	524,674	0.05
Kia Motors Corp	1,450	5,495,934	0.55
Korea Electric Power Corp	2,070	8,805,421	0.88
Korea Gas Corporation	360	1,684,342	0.17
Korean Air Lines Co Ltd	280	739,519	0.07
KT Corp	340	965,295	0.10
LG Uplus Corp	2,100	2,321,981	0.23

The accompanying notes form an integral part of these financial statements.  
\*Please refer to note 2d) for more information on valuation of Investments.

## Schedule of Investments and Other Net Assets as at 31 December 2016 (in JPY)

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>KRW Equities (continued)</b>			
Lotte Chemical Corp	70	2,494,355	0.25
Samsung Electronics Co Ltd	150	26,102,368	2.62
Sk Holdings Co Ltd	240	5,318,973	0.53
SK Hynix Inc	1,490	6,431,728	0.64
SK Telecom	330	7,138,317	0.71
		<b>79,671,670</b>	<b>7.97</b>
<b>MYR Equities</b>			
OSK Holdings Bhd	12,000	436,796	0.04
RNB Bank Bhd	11,000	1,347,048	0.13
Tenaga Nasional Bhd	29,000	10,480,510	1.05
YTL Power International Bhd	30,000	1,162,190	0.12
		<b>13,426,544</b>	<b>1.34</b>
<b>NZD Equities</b>			
Air New Zealand Ltd	3,700	660,518	0.07
Fletcher Building Ltd	3,200	2,758,699	0.28
		<b>3,419,217</b>	<b>0.35</b>
<b>PHP Equities</b>			
Alliance Global Group Inc	4,000	119,937	0.01
First Philippine Holdings	4,000	637,225	0.06
Globe Telecom Inc	2,000	7,080,803	0.71
Lopez Holdings Corp	28,000	512,408	0.05
San Miguel Corp	8,000	1,732,427	0.17
		<b>10,082,800</b>	<b>1.00</b>
<b>SGD Equities</b>			
DBS Group Holdings	4,000	5,599,643	0.56
Japfa Ltd	9,300	679,489	0.07
Oversea-Chinese Banking Corp	4,000	2,880,554	0.29
United Overseas Bank Ltd	7,000	11,528,676	1.15
		<b>20,688,362</b>	<b>2.07</b>
<b>THB Equities</b>			
Bangkok Bank Public Co	1,000	519,492	0.05
IRPC Plc	87,000	1,360,126	0.14
Krung Thai Bank NVDR	69,000	3,977,781	0.40
Pruksa Holding Pcl Nvdr	10,000	732,826	0.07

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>THB Equities (continued)</b>			
PTT Explor & Prod Pcl Nvdr	14,000	4,388,815	0.44
PTT Plc	2,000	2,423,212	0.24
Siam Cement Pcl Nvdr	5,000	8,077,374	0.81
		<b>21,479,626</b>	<b>2.15</b>
<b>TWD Equities</b>			
Advanced Semiconductor Engr	22,000	2,631,335	0.26
AU Optronics Corp	43,000	1,836,253	0.18
Casestek Holdings Ltd	3,000	932,602	0.09
Cheng Loong Corp	9,000	421,788	0.04
Chong Hong Construction Co	3,000	690,495	0.07
Compal Electronics	28,000	1,869,547	0.19
Eva Airways Corp	15,000	792,549	0.08
Hon Hai Precision Industry	52,000	15,845,192	1.60
Inventec Co Ltd	15,000	1,199,680	0.12
King Yuan Electronics Co Ltd	6,000	547,185	0.05
Kinpo Electronics Inc	11,000	473,720	0.05
Pegatron Corp	11,000	3,065,247	0.31
Pou Chen	16,000	2,327,706	0.23
Qisda Corp	11,000	599,116	0.06
Taiwan Semiconductor Manufacturing Co Ltd	16,000	10,509,418	1.05
United Microelectronics Corp	69,000	2,846,663	0.28
Walsin Lihwa Corp	16,000	686,152	0.07
Winbond Electronics Corp	20,000	721,618	0.07
Wistron Corp	12,358	1,115,837	0.11
Wpg Holdings Co Ltd	8,000	1,100,159	0.11
		<b>50,212,262</b>	<b>5.02</b>
<b>USD Equities</b>			
Alibaba Group Holding	1,500	15,362,579	1.55
Baidu Inc	473	9,070,229	0.91
		<b>24,432,808</b>	<b>2.46</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>			
		<b>989,768,920</b>	<b>99.02</b>

The accompanying notes form an integral part of these financial statements.  
\*Please refer to note 2d) for more information on valuation of Investments.



## Schedule of Investments and Other Net Assets as at 31 December 2016 (in JPY)

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>II. OTHER TRANSFERABLE SECURITIES (*)</b>			
<b>HKD Equities</b>			
China Metal Recycling	20,000	0	0.00
		<b>0</b>	<b>0.00</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES</b>		<b>0</b>	<b>0.00</b>
<b>Total Investment in Securities</b>		<b>989,768,920</b>	<b>99.02</b>
Cash and cash equivalent		12,873,951	1.29
Other Net Liabilities		(3,072,500)	(0.31)
<b>TOTAL NET ASSETS</b>		<b>999,570,371</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

\*Please refer to note 2d) for more information on valuation of Investments.

(\*) This classification regroups the securities that are not admitted to an official exchange listing or not dealt in on another regulated market.

## Classification as at 31 December 2016

### Economical Classification of Schedule of Investments

	% of Net Assets
Banks	13.41
Automobiles	7.09
Internet, Software and IT Services	6.79
Technology	6.37
Electrical Appliances and Components	5.94
Communications	5.75
Financial Services	5.35
Real Estate	5.18
Chemicals	4.58
Oil and Gas	4.28
Metals and Mining	3.63
Building Materials and Products	3.22
Insurance	3.11
Semiconductor Equipment and Products	3.06
Pharmaceuticals and Biotechnology	2.96
Retail	2.60
Food and Beverages	2.50
Distribution and Wholesale	2.09
Traffic and Transportation	1.89
Office and Business Equipment	1.66
Hotels, Restaurants and Leisure	1.21
Holding Companies	1.01
Household Products and Durables	0.88
Machinery	0.88
Consumer, Cyclical	0.61
Textiles, Garments and Leather Goods	0.59
Industrial	0.45
Utilities	0.32
Agriculture	0.27
Energy and Water Supply	0.24
Tobacco and Alcohol	0.22
Healthcare	0.21
Consumer, Non-cyclical	0.16
Entertainment	0.16
Commercial Services and Supplies	0.15
Paper and Forest Products	0.11
Media	0.05
Containers and Packaging	0.04
	<b>99.02</b>

## Classification as at 31 December 2016

### Geographical Classification of Schedule of Investments and Other Net Assets

Allocation Criteria: Geographical	Investment MM US\$	% of Net Assets	Market Value in Sub-Fund Currency
Australia	0.86	9.99	99,854,831
China	1.09	12.71	126,966,874
Hong Kong	0.54	6.31	63,120,536
India	0.49	5.77	57,683,584
Indonesia	0.13	1.51	15,136,795
Japan	3.62	42.21	421,857,510
Korea, Republic of	0.68	7.97	79,671,670
Malaysia	0.12	1.34	13,426,544
New Zealand	0.03	0.34	3,419,217
Philippines	0.09	1.01	10,082,800
Singapore	0.18	2.07	20,688,362
Taiwan	0.43	5.02	50,212,262
Thailand	0.18	2.15	21,479,626
United Kingdom	0.05	0.56	5,564,765
United States of America	0.01	0.06	603,544
Others	0.08	0.98	9,801,451
	<b>8.58</b>	<b>100.00</b>	<b>999,570,371</b>

# Notes to the Financial Statements as at 31 December 2016

## Note 1 General

### a) SICAV's details

AXA World Funds II (the "SICAV") is a Luxembourg domiciled SICAV with multiple Sub-Funds organised as a "Société d'Investissement à Capital Variable" under the law of 10 August 1915 of the Grand Duchy of Luxembourg, as amended, (the "1915 law"). The SICAV is qualified under Part I of the law of 17 December 2010 on undertakings for collective investment for transferable securities ("UCITS"), as amended. The VAT number is LU 216 82 420.

The SICAV has been established for an unlimited duration on 29 February 1988 with the name Sun Life Global Portfolio. Its name was changed into AXA World Funds II as decided by the Extraordinary General Meeting of Shareholders held on 8 May 2002, with effect from 17 June 2002. The Articles were last amended at the Extraordinary General Meeting of Shareholders held on 25 September 2015 and published in the "Recueil électronique des sociétés et associations" on 12 December 2015.

The Board of Directors of the SICAV has confirmed its adherence to the ALFI's Code of conduct and to the standards of corporate governance described in this code.

The Management Company (AXA Funds Management S.A.) was incorporated on 21 November 1989 for an undetermined period of time and is registered in the register of commerce and companies of Luxembourg under the number B-32.223. Its Articles of Association were published in the "Recueil électronique des sociétés et associations" of 26 January 1990. The latest Consolidated Articles of Association have been filed in the register of commerce and companies of Luxembourg on 7 March 2015. The VAT number is LU 197 76 305.

The CSSF has approved AXA Funds Management S.A. (i) as UCITS Management Company, under Article 77 of Chapter 13 of the Law of 20 December 2002 (amended by the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment "the 2010 Law"), with effective date of 28 April 2006 and (ii) as Alternative Investment Fund Manager, under Article 5 of Chapter 2 of the Law of 12 July 2013 relating to alternative investment funds, with effective date of 28 July 2014.

The Management Company is registered pursuant to chapter 15 of the law of 17 December 2010, as amended.

AXA Funds Management S.A. is a public limited company ("société anonyme") organised under the laws of Luxembourg. Its share capital amounts to EUR 925,345.84.

### b) Fund's summary

AXA World Funds II - European Opportunities Equities acts as feeder fund by permanently investing at least 85% of its assets in shares of AXA World Funds - Framlington Europe Opportunities. The semi-annual and the annual reports of AXA World Funds (the "Master UCITS") can be obtained at the offices of the Custodian. These documents may also be downloaded from the website [www.axa-im-international.com](http://www.axa-im-international.com). The investment objectives and policies, the risk profile and risk factors of AXA World Funds II - European Opportunities Equities are therefore in accordance with those of AXA World Funds - Framlington Europe Opportunities. AXA World Funds may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares of the Master UCITS.

# Notes to the Financial Statements as at 31 December 2016

## Note 1 General (continued)

### b) Fund's summary (continued)

As at 31 December 2016, the percentages of ownership share of the Master UCITS Sub-fund are the following:

Sub-Funds			
-	Master Sub-fund held in portfolio	% ownership	% aggregate charges
<b>AXA World Funds II - European Opportunities Equities</b>			
-	AXA World Funds - Framlington Europe Opportunities	31.08%	1.80%

### c) Sub-Funds List

As at 31 December 2016, the SICAV consists of 4 active Sub-Funds:

Sub-Funds	Currency
AXA World Funds II - Global Masters Equities	USD
AXA World Funds II - North American Equities	USD
AXA World Funds II - European Opportunities Equities	EUR
AXA World Funds II - Far East Equities	JPY

### d) Share Classes List

The classes of shares presented below correspond to the type of classes that may be available for Sub-Funds of the SICAV. The section "Statistics – Quantity of Shares and Net Asset Value per Share" indicates for each Sub-Fund the available classes of shares on the reporting date.

#### Class "A" and Class "I" Shares

Each Sub-Fund offers two different classes of shares. The classes differ principally in terms of sales charges and rate of expenses to which they are subject as well as their availability to certain types of investors.

Class "A" Shares are for all investors other than Institutional Investors. An initial fee of up to 5.5% of the Dealing Price of the class "A" Shares is normally charged. Class "I" Shares are specifically designed for Institutional Investors. No initial fee is charged to the class "I" Shares.

#### Capitalisation and Distribution Shares

Share classes can be further divided into capitalisation shares and distribution shares. These shares differ by their distribution policies, the first by accumulating income, and the other by distributing dividends. The assets of these two categories are gathered together.

## Note 2 Significant Accounting Policies

### a) Presentation of the Financial Statements

The financial statements have been prepared in accordance with generally accepted accounting principles in the Grand Duchy of Luxembourg.

# Notes to the Financial Statements as at 31 December 2016

## Note 2 Significant Accounting Policies (continued)

### b) Foreign Currency Translation

The accounting records and the Financial Statements are denominated in the reference currency of the relevant Sub-Fund.

Transactions in currencies other than that in which the Sub-Fund is denominated are translated into the respective currency of the portfolio based on the exchange rate in effect at the date of the transaction.

Assets and liabilities denominated in other currencies are translated into the respective currency of the Sub-Fund at the last available rate of exchange at each balance sheet date.

The exchange rates applied at year end for the Net Asset Value calculation for all Sub-Funds, are as follows:

As at 30/12/2016					
1 EUR =	1.4566	AUD	1 EUR =	1,273.9270	KRW
1 EUR =	1.0720	CHF	1 EUR =	4.7316	MYR
1 EUR =	7.4355	DKK	1 EUR =	1.5126	NZD
1 EUR =	0.8536	GBP	1 EUR =	52.4343	PHP
1 EUR =	8.1776	HKD	1 EUR =	1.5238	SGD
1 EUR =	14,210.1188	IDR	1 EUR =	37.7711	THB
1 EUR =	71.5859	INR	1 EUR =	33.9935	TWD
1 EUR =	123.0208	JPY	1 EUR =	1.0547	USD

### c) Combined Figures

The combined Statement of Net Assets and the combined Statement of Operations and Changes in Net Assets are expressed in EUR and are presented for information purposes only.

### d) Valuation of Investments

The valuation of each security which is quoted or dealt in on a stock exchange is based on its last available price on the principal market on which such securities are traded. The value of each security dealt in on any other regulated market is based on its last available price on the principal market on which such securities are traded.

In the event that any of the securities held in a Sub-Fund's portfolio on the relevant day are not quoted or dealt in on any stock exchange or dealt in on any other regulated market or if, with respect to securities quoted or dealt in on any stock exchange or dealt in on any regulated market, the price as determined is not representative of the relevant securities, the value of such securities is determined based on a reasonable foreseeable sales price determined prudently and in good faith.

The Financial Statements are presented on the basis of the Net Asset Value calculated on 30 December 2016.

# Notes to the Financial Statements as at 31 December 2016

## Note 2 Significant Accounting Policies (continued)

### e) Acquisition Cost of Investments

The acquisition cost of securities expressed in currencies other than the reference currency of the Sub-Fund is translated into the reference currency of the Sub-Fund on the basis of the exchange rates prevailing on the purchase date.

### f) Realised Gains/(Losses) on Sales of Investments

Realised gains/(losses) on sales of securities are determined on the basis of the average cost of the securities sold.

### g) Dividend Income

Dividends are accounted for on an ex-dividend date basis, net of any irrecoverable withholding tax.

### h) Interest Income

Interest income is recognised on a daily accrual basis, net of any irrecoverable withholding tax (interest on investment portfolio, interest on deposits and interest on call accounts and security lending income).

### i) Capital Gain Tax

Some governments exercise substantial influence over the private economic sector and investments may be affected by political and economic instability. In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalisation, intervention in the securities market and trade settlement and imposition of foreign investment restrictions and exchange controls, and these could be repeated in the future. In addition to withholding taxes on investment income, some emerging markets may impose differential capital gain taxes on foreign investors. The related amounts are accounted as "Other payables" under the Statement of Net Assets.

## Note 3 Taxation

The SICAV is a registered investment fund in Luxembourg and is, as a result, exempt from tax except for subscription tax ("Taxe d'Abonnement"). Under current legislation and regulation, the SICAV is subject to a subscription tax calculated and payable quarterly in arrears on the Net Asset Value of the Sub-Fund or class at the end of the respective quarter. The SICAV pays the normal tax rate of 0.05% for all Sub-Funds. This tax only applies to the class "A" Shares. In respect of the class "I" Shares dedicated to institutional investors, such tax is reduced to 0.01% per annum of the Net Asset Value.

## Note 4 Management Fees

The Management Company is entitled to receive, from the assets of the relevant Sub-Funds, a management fee in an amount to be specifically determined for each Sub-Fund or share class. The annual management fee is calculated as a percentage of the Net Asset Value of each Sub-Fund. The details and the percentage of this fee, per share class, are described in the Full and Simplified Prospectuses. This fee is calculated and accrued daily. The Management Company will remunerate the Investment Managers out of the management fee in accordance with the contracts signed with the different parties. The management fees are used in part to pay remuneration (trailer fees) for distribution activities concerning the Fund.

# Notes to the Financial Statements as at 31 December 2016

## Note 4 Management Fees (continued)

AXA World Funds II - European Opportunities Equities acts as a feeder of AXA World Funds - Framlington Europe Opportunities (the "Master Sub-Fund"). The management fees charged to the Sub-Fund are only accrued at the Company level and are maximum 1.50% of the Net Asset Value of the Sub-Fund. No management fees are charged at AXA World Funds level.

As at 31 December 2016, the rates are the following:

Sub-Fund's name	Class A	Class I
AXA World Funds II – Global Masters Equities		
Actual	1.50%	1.50%
Maximum	1.50%	1.50%
AXA World Funds II - North American Equities		
Actual	1.50%	1.50%
Maximum	1.50%	1.50%
AXA World Funds II - European Opportunities Equities		
Actual	1.50%	1.50%
Maximum	1.50%	1.50%
AXA World Funds II - Far East Equities		
Actual	1.50%	1.50%
Maximum	1.50%	1.50%

## Note 5 Commissions of the Custodian, Registrar and Transfer Agent, Domiciliary, Administrative and Paying Agent

The Custodian fees are payable monthly and calculated on the basis of the Net Asset Value determined on the last Valuation Day of each month.

The Registrar and Transfer Agent as well as the Domiciliary, Administrative and Paying Agent are entitled to receive out of the net assets of each Sub-Fund a maximum fee of 0.29% per year.

## Note 6 Accounting Fees

The Accounting fees disclosed in the Statement of Operations and Changes in Net Assets constitute a service fee charged by the Administrative Agent which comprises fund accounting administration, share class specific administration, compliance services, shareholder tax calculation, regulatory and reporting services.

## Note 7 Transaction Fees

The Transaction fees are disclosed for each Sub-Fund in the Statement of Operations and Changes in Net Assets under the caption "Transaction fees". Those fees are detailed in the Additional Appendix.

## Note 8 Changes in the Investment Portfolio

Changes in the investment portfolio during the reporting year are available to the shareholders at the address of the Custodian.



# Notes to the Financial Statements as at 31 December 2016

## Note 9 Securities Lending

The SICAV may lend positions of its securities portfolio to third parties. In general, lending may only be effected via recognised clearing houses, or through the intermediary of prime financial institutions that specialise in such activities and where collateral is received as guarantee.

Income from securities lending transactions are credited to the respective Sub-Fund after deduction of the costs of the lending agent and the custodian bank of the Fund. The Management Company did not receive any commissions on securities lending transactions.

As at 31 December 2016, the market value of the securities on loan open in EUR is as follows:

Sub-Fund's name	Currency	% of investments	Amount lent	Amount of collateral received securities	Amount of collateral received cash	Total collateral
AXA World Funds II - Global Masters Equities	USD	0.89%	122,430	132,694	-	132,694

The counterparties for the securities lending transaction listed above are Barclays Bank Plc Wholesale and Citigroup Global Markets Ltd London.

As at 31 December 2016, the securities lending income generated by the Fund is as follows:

Sub-Fund's name	Currency	Gross income of Securities Lending	Direct and indirect Costs and Fees of Securities Lending	Net income of Securities Lending
AXA World Funds II - Global Masters Equities	USD	68	24	44
AXA World Funds II - North American Equities	USD	7,074	2,476	4,598

## Additional Unaudited Appendix

### TER (Total Expense Ratio)

	Calculated TER (1)	Ongoing charges (2)
<b>AXA World Funds II - Global Masters Equities</b>		
A Capitalisation USD	1.73%	1.85%
A Distribution USD	1.74%	1.85%
I Distribution USD	1.69%	1.80%
<b>AXA World Funds II - North American Equities</b>		
A Capitalisation USD	1.73%	1.75%
A Distribution USD	1.74%	1.75%
I Capitalisation USD	1.70%	1.70%
I Distribution USD	1.70%	1.70%
<b>AXA World Funds II - European Opportunities Equities</b>		
A Distribution EUR	1.68%	1.82%
I Distribution EUR	1.68%	1.82%
<b>AXA World Funds II - Far East Equities</b>		
A Capitalisation JPY	2.03%	2.30%
A Capitalisation USD	2.04%	2.30%
A Distribution JPY	2.04%	2.30%
A Distribution USD	2.04%	2.30%
I Distribution JPY	2.00%	2.26%

(1) The TERs above represent, as indicated in the prospectus, a weighted average of administrative expenses which shareholders could normally have expected to pay when being invested in the chosen share class as indicated in the prospectus. This methodology is in line with accepted standard market practices and represents a fair view of publications to be made in the market.

(2) The Ongoing charges are based on historical expense data, as well as anticipated material budget changes for the period. For certain classes of shares and Sub-Funds where there is no relevant expense history, Ongoing charge figures are based on estimates. The figures represent the situation as assessed as at 31 December 2016. The Ongoing charges calculation excludes the Performance fees.

### PTR (Portfolio Turnover Ratio)

Sub-Funds	Currency	PTR I (1)	PTR II (2)
AXA World Funds II - Global Masters Equities	USD	102.60%	103.09%
AXA World Funds II - North American Equities	USD	204.67%	205.46%
AXA World Funds II - European Opportunities Equities	EUR	1.59%	2.85%
AXA World Funds II - Far East Equities	JPY	173.45%	174.12%

(1)  $\text{PTR I} = \frac{(\text{TOTAL PURCHASES} + \text{TOTAL SALES}) - (\text{TOTAL SUBSCRIPTIONS} + \text{TOTAL REDEMPTIONS})}{\text{MONTHLY AVERAGE TOTAL NET ASSETS}} \times 100$

(2)  $\text{PTR II} = \frac{(\text{TOTAL PURCHASES} + \text{TOTAL SALES}) - \text{SUM OF DAILY IN OR OUTFLOWS}}{\text{AVERAGE TOTAL NET ASSETS}} \times 100$

# Additional Unaudited Appendix

## Remuneration policy

Information about the remuneration policy that was applied during the accounting year 2016 can be obtained from the Management Company: AXA Funds Management S.A., 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

## Securities Financing Transactions Regulation

### Foreword

The SICAV may lend positions of its securities portfolio to third parties through different techniques whereas:

- Bilateral should be understood as trading executed directly with the counterparty and the collateral managed by AXA Investment Managers GS Limited
- Triparty should be understood as trading executed through a triparty agent who manages the collateral
- CCP should be understood as Central Counterparties Clearing House

### Data on cost and return

The return from securities lending transactions is split between the relevant Fund and the agent lender. The Funds receive 65% while the agent lender receive 35% of the income, with all operational costs supported by the agent lender. The income earned by the Funds from securities lending transactions is disclosed in the stock lending note (note 9).

### Quality of collateral

Collateral received by a Sub-Fund may be used to reduce its counterparty risk exposure with a counterparty if it complies with the criteria listed in circulars issued by the Regulatory Authority from time to time in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- it should be valued by the mark-to-market method on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- it should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- it should be sufficiently diversified in terms of country, markets and issuers and shall not entail on an aggregate basis an exposure to a given issuer for more than 20% of its Net Asset Value. By way of derogation, a Sub-Fund may be fully collateralized in different Transferable Securities or Money Market Instruments issued or guaranteed by any of the Member States, one or more of their local authorities, a third party sovereign country such as Canada, Japan, Norway, Switzerland and the United States of America, or any public international body to which one or more Member State(s) belong(s) such as the European Investment Bank, provided that it receives such securities from at least six different issues and that securities from any single issue should not account for more than 30% of such Sub-Fund's Net Asset Value. The collateral shall further comply with the limits set forth above under section "b) Limitations on Control";
- where there is a title of transfer, the collateral received shall be held by the Depositary or its sub-custodians to which the Depositary has delegated the custody of such collateral. For other types of collateral arrangements (e.g. a pledge), the collateral can be held by a third party depositary which is subject to prudential supervision and which is unrelated to the provider of collateral;
- it should be capable of being fully enforced by the Management Company for the account of the Sub-Fund at any time without reference to or approval from the Management Company.

## Additional Unaudited Appendix

### Securities Financing Transactions Regulation (continued)

#### Foreword (continued)

##### **Type of collateral**

Subject to the above conditions, permitted forms of collateral include:

- Cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- Bonds issued or guaranteed by a Member State, any other member state of the OECD or their local public authorities, by supranational institutions and undertakings with an EU, regional or worldwide scope;
- Shares or units issued by money market UCI calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- Shares or units issued by other UCITS investing mainly in bonds and/or shares identified in items (E) and (F) below;
- Bonds issued or guaranteed by first class issuers offering adequate liquidity; and
- Shares admitted to or dealt in a Regulated Market or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

## Additional Unaudited Appendix

### Securities Financing Transactions Regulation (continued)

#### Securities lending

AXA World Funds II - Global Masters Equities	
	USD
settlement and clearing (e.g. Bilateral, triparty, CCP)	Bilateral
<b>Amount of securities on loan as a proportion of total lendable assets</b>	0.92%
<b>Amount of assets engaged</b>	
Absolute amount	122,430
Proportion of the Assets Under Management	0.89%
<b>maturity tenor of the SFTs (absolute value)</b>	
less than one day	-
one day to one week	-
one week to one month	-
one month to three months	-
three months to one year	-
above one year	-
open transactions	122,430
<b>type and quality of collateral</b>	
Bank deposits	-
Bonds	132,694
Equities	-
Other	-
Currencies	EUR
<b>maturity tenor of the collateral (absolute value)</b>	
less than one day	-
one day to one week	-
one week to one month	-
one month to three months	-
three months to one year	-
above one year	132,694
open transactions	-
<b>Reinvested collateral in shares of received collateral, based on all SFTs<sup>1</sup></b>	
share of reinvested collateral	-

<sup>1</sup> As at 31 December 2016, there is no cash collateral received for any Sub-Fund, and therefore no cash collateral reinvested.

## Additional Unaudited Appendix

### Securities Financing Transactions Regulation (continued)

#### Securities lending (continued)

##### Top 10 Counterparties

AXA World Funds II - Global Masters Equities		
	Name	gross volume outstanding transactions (USD)
		Counterparty's country
1	BMO CAPITAL MARKETS	122,430
		United Kingdom

##### 10 largest collateral issuers

AXA World Funds II - Global Masters Equities		
	Name	Collateral safe-kept (USD)
1	French Republic	98,605
2	Federal Republic of Germany	34,089

##### Safekeeping of collateral received

AXA World Funds II - Global Masters Equities		
	Custodians	Amount of collateral assets (USD)
	State Street Bank Luxembourg S.C.A.	132,694

##### Safekeeping of collateral granted

As at 31 December 2016, there is no collateral granted from any Sub-Fund.

## Additional Unaudited Appendix

### Transaction fees

The Transaction fees presented in the Statement of Operations and Changes in Net Assets are the sum of the Custody cash movement Charges, the Fund Administrator Charges on FOREX activity and the Custody Settlement Charges.

Sub-Fund's name	Commissions				Settlement Fees	Tax			In the Sub-Funds currency	
	Broker Commissions	Broker Execution fee	Custody cash movement Charges*	Fund Administrator Charges on FOREX activity*		Stamp Duty	Other Transaction Tax	State Street Bank Settlement Charges waived by swing	Total	All other components of the Transaction fees**
AXA World Funds II - Global Masters Equities	3,224	234	6,321	2,667	8,212	1,647	1,999	-	24,304	7,104
AXA World Funds II - North American Equities	90,352	3,852	1,655	59	8,840	-	-	-	104,758	94,204
AXA World Funds II - European Opportunities Equities	-	-	9,095	-	-	-	-	-	9,095	-
AXA World Funds II - Far East Equities	516,094	-	716,306	318,358	3,662,974	-	575,392	-	5,789,124	1,091,486

### Risk disclosure linked to CSSF circular 11/512

The method to calculate the global exposure is the commitment approach for all the Sub-Funds.

\* These fees are disclosed under the caption "Transaction fees" in the Statement of Operations and Changes in Net Assets.

\*\* The "All other components of the Transaction fees" do not form part of the account "Transaction fees" in the Statement of Operations and Changes in Net Assets. They are included in the "Net Change in unrealised appreciation/(depreciation) on investments" and the "Net realised gain/(loss) on sales of investments" in the Statement of Operations and Changes in Net Assets.

