

12 January 2010

Dear Friends, Investors and Colleagues,

Looking back at last year's result, our 2009 performance was helped by a strong recovery in small to mid-size companies which, after having been hit the hardest by the crisis, rebounded more strongly than large companies after the fall of 2008. And we believe there is still room for improvement as less liquid companies remain cheap compared to large companies. As a matter of fact, our holding companies' average discounts to NAV remain around 40%. These holding companies could continue to recover well if their discount shrinks back to a 15% historical average. More important, our entrepreneurial companies resisted well to the crisis thanks to their successful innovations and a long-term focus that allowed them to benefit from the current cycle. Great potential also lies with our entrepreneurs in Emerging Markets that offer excellent growth opportunities.

We believe that Talents companies are doing well and are cheap - let's hope that their stock prices continue to bounce back in 2010.

Please find our monthly comment for each fund below.

We will be pleased to answer any questions you may have by email: talents@axa-im.com

Yours sincerely,

Charles Firmin-Didot and Team

AXA WF Framlington Talents (Global equity – F share)

AXA WF Framlington Talents was up 7.6% in December while the MSCI World was up 6.5%. The fund was up 44.4% in 2009 while the MSCI World was up 26%. (1)

A good month of successful innovations:

One of the main performance drivers was Norwegian Aker BioMarine – the stock was up 78% over the month. This leading krill harvester illustrates successful innovation, by allowing for precise traceability of its seafood all the way back to the Antarctic Ocean. The company works closely with the World Wildlife Federation (WWF) to promote higher harvesting standards. Its Superba™ Krill Oil was approved as food in the European Union and the company will become the exclusive krill oil supplier of Valensa in the US for the use of Superba in its healthcare products.

Chaoda continues to do well and was up 21% over the month. The company announced the acquisition of organism technology patents and appointed Nobel Prize winner Professor Wiesel and Professor Lam as consultants to develop edible vaccines derived from plants such as vegetables, fruits and seeds against viruses and bacteria.

Another success story has been the French company Soitec whose products are used globally: Soitec announced its entry into the solar space, targeting to double the efficiency of photovoltaic cells with their technological advantage....

An additional strong performer over the month was Villya Mallya's United Breweries Holding, which rose 23%. The company fostered its relationship with Heineken in order to strengthen its leadership in the Indian beer market and to increase the global footprint of its Kingfisher beer brand. Over the year, UB Holdings was up more than 190%.

The top three performing stocks in 2009 were Mahindra & Mahindra (up 290%), Marine Harvest (up 300%) and Trina Solar (up 480%).

You will find a short description of our 6 largest holdings for this month on the next page.

Our portfolio is invested 45% in Europe, 28% in Asia ex-Japan (China, Malaysia, South Korea, Taiwan and India), 8% in Japan, 15% in North America and 4% in other countries. We continue to be fully committed and keep our personal assets invested in the fund, as we believe that the entrepreneurs we choose will create value by reacting fast to the crisis, using arising opportunities and being more creative. (2)

Our top 6 holdings as of 31/12/2009:

Vincent Bolloré | French | Financière de l'Odet | 9%
Kwok Ho | Chinese | Chaoda | 6%
Masayoshi Son | Japanese | Softbank | 5%
Michael Dell | American | Dell | 4%
Jason Jiang | Chinese | Focus Media Holding | 4%
Roberto Colaninno | Italian | Immsi | 4%

AXA WF Framlington Talents 6 largest holdings:

Financière de l'Odet (9% of our portfolio): Vincent Bolloré's top holding, employs 32,000 people. Most of the group's assets are in transport and logistics, mainly in Africa. It also owns large plantations (oil palm, rubber trees, vineyards), oil and agricultural products storage facilities, media and communication assets such as Havas, Aegis, DirectTV, Direct Soir. It recently built up a 5.6% stake in Vallourec which it bought at a third of the price it sold it for two years ago. Its factory in Brittany builds the most promising electric car battery. Bolloré bought back its shares aggressively and still trades at half of its net asset value.

Chaoda (6% of our portfolio): Kwok Ho's vegetable production company. Mr. Kwok saw the great potential for quality food and created Chaoda, which combines large-scale standardized farming with an extensive sales network. The business model not only aids the progress of industrialization, scale production and standardization, it also increases local farmers' incomes. The company was named as one of China's most promising companies in 2009 by Asset Magazine.

Softbank (5% of our portfolio), founded and controlled by Masayoshi Son, is well positioned to become Asia's Google, valued around only 10% of Google's market cap. It controls large assets such as Yahoo! Japan (Japan's "Ebay" and "Yahoo" together), a 30% stake in Alibaba and 40% in Oak Pacific Interactive, both leading internet businesses in China, and owns Softbank Mobile, the fastest growing mobile phone company in Japan and exclusive distributor of the iPhone.

Dell (4% of our portfolio): Established in 1984 by Michael Dell with a USD1000 investment, Dell revolutionized the computer industry by offering tailor-made products on the mass market. Michael started his business as a college student by assembling computers from single parts in his dormitory and selling them to classmates at huge discount compared to computers sold in stores.

Focus Media Holding (4% of our portfolio) is the digital media empire of Jason Jiang who also expresses his high levels of creativity as a poet. The company is active in various growing segments of the media industry. Focus Media is the leading Chinese company in digital advertising including a mobile handset and Outdoor LED Networks.

Immsi (4% of our portfolio): Roberto Colaninno is a "turnaround specialist" who saved Olivetti in 1997 and scooter maker Piaggio in 2004. It also owns €70 million worth of real estate in Rome and Sardenia, Rodriguez shipyards and a 7% stake in the new Alitalia - perhaps Colaninno's next turnaround story. Piaggio increases its market share with innovative products, such as the hybrid three wheeler scooters launched end September last week in France. Immsi trades at a 43% discount to its net asset value.

AXA WF Framlington Emerging Markets Talents (F share)

« Formerly known as AXA WF Talents BRICK »

In December, AXA WF Framlington Emerging Markets Talents was up 11.8% vs. 8.8% for the MSCI EM index. In 2009, the fund was up 104.8% vs. 73.0% for the MSCI EM Index.(1)

This month, Chaoda was up 21% as the company announced the acquisition of organism technology patents and appointed Nobel Prize winners Professor Wiesel and Professor Lam as consultants to develop edible vaccines derived from plants such as vegetables, fruits, and seeds against viruses and bacteria. Conglomerate UB Holdings (Vijay Mallya, India), electronic components provider Cogo (Jeffrey Kang, China) and digital media player Focus Media (Jason Jiang, China) also showed solid performances above 20%.

In November, we had increased our investments in several of our smaller positions that had been underperforming; among them Thermax (Anu Aga & Meher Pudumjee, India), LPS Brasil Consultoria (Lopes family, Brazil), and Suntech (Zheng Rong Shi, China), which all performed well in December.

In South Korea, we increased our position in several holdings and bought shares in leading brokerage company Mirae Asset Securities (Hyeon Joo Park), which has investments all around Asia and is well known for emerging stronger from crises.

In India, wind-turbine generator producer Suzlon recovered another 15% after founder Tulsi Tanti announced plans to complete \$2.8 billion of refinancing in early 2010. The growing hospital chain Fortis Healthcare (Singh family) was up 30% after it announced the completion of Wockhardt Hospital's acquisition, and more good news came from vaccine producer Panacea Biotec's (Jain family) new share buyback program.

In Latin America, the restaurant chain Alsea (Alberto Torrado, Mexico) continued its acquisitions in Colombia. In South Africa, we bought shares in financial conglomerate RMB Holding as its founders GT Ferreira, Laurie Dippenaar, and Paul Harris agreed to sell shares to senior executives saying that they wished to create "the next generation of 'owner managers' to take the business forward, and to ensure that management and shareholders' interests continue to be closely aligned".

We maintain a diversified portfolio: 31% invested in China, 19% in India, 17% in other Asian countries (mostly South Korea, Malaysia, Indonesia, Taiwan, Philippines, Vietnam), 14% in Latin America (mostly Brazil, Mexico, Chile, Argentina, Colombia), 10% in Africa (mostly Tanzania, South Africa and Egypt), 3% in Israel, 3% in Turkey, and 3% in Russia. We remain confident that AXA WF Framlington Emerging Markets Talents' stocks have great potential.(2)

Talents Newsletter

December 2009

Our top 6 holdings as of 31/12/2009:

Kwok Ho | Chinese | Chaoda Modern Agriculture | 4%
Jeffrey Kang | Chinese | Cogo Group | 3%
Jason Jiang | Chinese | Focus Media Holding | 3%
James E. Sinclair | American | Tanzanian Royalty | 3%
Vijay Mallya | Indian | United Breweries Holdings | 2%
Kumar M. Birla | Indian | Hindalco Industries | 2%

(1) Performances are calculated with dividends, net of withholding taxes and management fees, in €, F share, as of 31/12/09. The figures provided relate to past months or years and past performance is not a reliable indicator as to future performance. Investors should be aware that the price of shares and the income from them may go down as well as up and is not guaranteed. All data and performance information into the document have not been yet certified by the Fund's auditors.

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