

AXA Framlington Global Technology Fund Z GBP



JEREMY GLEESON

Fund Manager

Joined July 2007

Jeremy joined AXA Investment Managers in July 2007 and is the lead fund manager of the AXA Framlington Global Technology Fund. In 2017 he was named winner of the Tech Fund Manager of the Year Award at the UK Tech Awards. Previously he was named winner of the Investment Week Tech & Telecoms Fund Manager of the Year Award for 2011 and 2012.

Previously, he was a senior portfolio manager at Close Investments (formerly Reabourne Technology), a subsidiary of Close Brothers Group PLC, from 2003 to 2007, having been a portfolio manager for the previous three years and an assistant portfolio manager from 1997 to 2000 with Reabourne Technology. During his time at Close Investments / Reabourne, Jeremy was the lead fund manager on several technology funds and won the FTSE techMARK Technology Fund Manager of the Year award in 2003 and 2005.

Jeremy holds a BSc (Hons) in Mathematics (1st class) and an MSc. in Systems Engineering from Cardiff University (1992-1996). He is also a CFA charterholder.

Objective

The aim of this Fund is to provide long-term capital growth.

Fund manager's commentary

Main changes to the portfolio during May

The US government's plan to restrict sales of components from US companies to Huawei impacted a number of semiconductor companies and we reduced our two holdings with the most direct exposure, Xilinx and Lumentum.

We sold our investment in Chinese internet search provider Baidu and initiated a position in Advanced Micro Devices (AMD), which appears poised to gain share from Intel with its recently announced new server chips. AMD is seeing interesting use cases for its chips emerge in areas like artificial intelligence and automotive applications. We also participated in the IPO of Uber, a global leader in ride-sharing and meal delivery.

Factors affecting performance during May

Global equity markets fell sharply in May as a result of increasing global trade tensions, with the MSCI World Index declining 2.6%, whilst the technology sector underperformed and the MSCI World Information Technology Index declined 5.3%.

The semiconductor sector has been weaker during May; however, there are many drivers of growth for this sector in the coming years, including industrial, automotive, internet of things, and home automation. We continue to believe our investments will benefit from the widespread penetration of semiconductors into a broad variety of end markets.

Current market influences and outlook

First quarter earnings season wrapped up with reported results from companies we invest in being mostly good, and we are encouraged by the tone of management guidance for the remainder of the year.

The outcome of the ongoing trade negotiations between the US and China will continue to dominate sentiment and will probably result in elevated volatility of markets until a resolution is found.

At the time of writing, the US regulators declared the intention to launch antitrust inquiries into large technology and internet companies Apple, Alphabet, Amazon and Facebook. While there are no official investigations as yet, we would highlight that probes would not necessarily lead to sanctions and we would anticipate the risk of breakup of these companies as low. We would be inclined to use any meaningful pullback as a buying opportunity.

Past performance is not a guide to future performance. The value of investments and the income from them can fall as well as rise and you may not get back the full amount originally invested. **Before investing you should read the fund's Key Investor Information Document (KIID) for full product details including investment risks and contact a financial adviser where unsure.**

Top 10 fund holdings

	Weight
ALPHABET INC	8.34%
APPLE INC	6.24%
VISA INC	4.61%
CISCO SYSTEMS INC	4.58%
QUALCOMM INC	2.95%
FACEBOOK INC	2.90%
SERVICENOW INC	2.54%
AMAZON.COM INC	2.33%
SALESFORCE.COM INC	2.09%
AMERICAN TOWER CORP	2.05%
Total*	38.64%
Total number of holdings	64
Turnover (1 rolling year)	9.86

* Total may not equal sum of top ten holdings weightings (above) due to rounding.

Stocks shown for information purposes only. They should not be considered as advice or a recommendation.

Turnover : (abs(purchase) + abs(sale) - abs(subscription - redemption)) / (2* average AUM)

FRAMLINGTON EQUITIES

AXA Framlington Global Technology Fund Z GBP

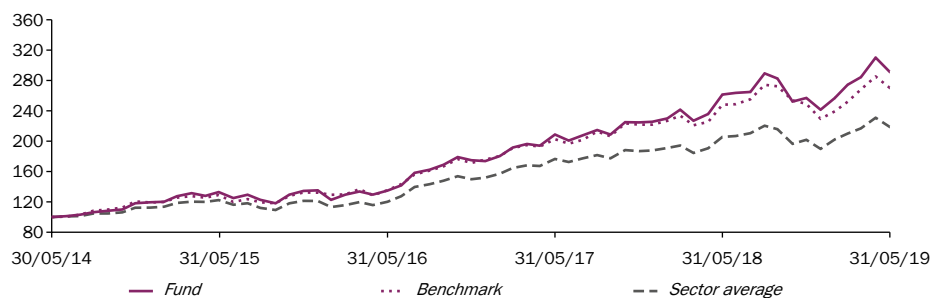
Discrete performance over 12 month periods to latest quarter end (%)

	31/03/14	31/03/15	31/03/16	31/03/17	31/03/18
	- 31/03/15	- 31/03/16	- 31/03/17	- 31/03/18	- 31/03/19
AXA Framlington Global Technology Fund Z GBP	31.2	1.7	46.8	15.6	25.3
Benchmark**	30.4	7.3	42.4	13.4	21.4

Cumulative performance

	Fund (%)	Benchmark** (%)	Sector median*** (%)	Ranking	Quartile
6 M.	13.3	8.4	7.9	1/15	1
Year to date	20.6	17.7	16.1	1/15	1
1 Y.	11.4	8.9	6.6	3/15	1
3 Y.	115.8	99.5	97.0	3/13	1
5 Y.	191.1	170.2	140.8	2/11	1

Cumulative performance over five years



Source: AXA Investment Managers and Morningstar. Figures are quoted on single price basis, net of Z share class fees and expenses with net income reinvested, in GBP. Performance takes into account ongoing charges but not any initial charge that may be payable. Between 8/9/2014 and 6/10/2014, AXA Framlington Authorised Unit Trusts moved to a single pricing basis (Net Asset Value - NAV), prior to this, they were on a dual pricing basis (bid to bid). To ensure consistent performance figures between bid and NAV prices an adjustment factor has been applied. Past performance is not a guide to future performance.

**Benchmark is the MSCI World Information Technology Total Return Net. Prior to 01/01/2013 the benchmark of the fund was MSCI World Information Technology Total Return Gross. The benchmark index is shown for comparison purposes only. The fund manager has full discretion to select investments for the fund in line with the fund's investment policy and in doing so may take into consideration the benchmark index.

***The fund's peer group sector is the IA Technology & Telecoms sector.

The breakdowns provided look through to the underlying investments (including cash) of any in-house collective investment schemes held by the fund. Breakdowns may not sum to 100% due to rounding.

The geographical breakdown is based on the country classification as published by the index provider. The second available source is the Country ISO from Bloomberg (or Ultimate Country of risk for Emerging markets funds).

Geographical Allocation

	%
North America	86.64
Emerging	7.44
Cash	2.37
UK	1.94
Europe Ex UK	1.62

Sector Allocation

	%
Software	31.33
Semiconductors & Semiconductor Equipment	17.21
Interactive Media & Services	12.68
IT Services	8.45
Technology Hardware, Storage & Peripherals	8.28
Communications equipment	8.14
Internet & Direct Marketing Retail	4.68
Cash	2.37
Real estate invest. trusts (reits)	2.05
Entertainment	1.92
Health care technology	1.19
Electronic Equipment, Instruments & Components	1.10
Other	0.61

Fund facts

Fund type	Unit Trust
Fund size	£674.1m
Underlying Yield*	0.00%
Launch date	15/04/99
IA Sector	Technology and Telecommunications
Currencies available	GBP
Dealing day	09:00 to 17:30 business hours
Valuation point	12:00 London time

* As at 31/05/2019. * Net of tax, net of expenses. All information in this factsheet relates to unit class Z only. The underlying yield reflects the annualised income net of expenses of the fund as a percentage of the mid-market unit price of the fund as at the date shown. It is based on a snapshot of the portfolio on that day. It does not include any initial charge and investors may be subject to tax on distributions.

Investment information

Initial charge	Nil%
Ongoing charges	0.82%
Min initial investment	£100,000
Min subsequent investment	£5,000
ISA status	Eligible

Fund codes

Sedol	accumulation income	B4W52V5 B5MQXC3
ISIN	accumulation income	GB00B4W52V57 GB00B5MQXC30
MEX	accumulation income	FRMNFA FRMNF1
Valoren	accumulation income	801389 801372
Bloomberg	accumulation income	FRANETA LN FRANETI LN

Income payments

Accounting Final Ref Dates	15 Jan
Interim	15 Jul

Sources: AXA Investment Managers UK Limited and Morningstar. Unless otherwise stated all data shown is at 31/05/2019.