

AXA Framlington UK Mid Cap Fund Z GBP



CHRISTOPHER ST. JOHN

Fund Manager

Joined January 2005

Chris joined AXA Investment Managers in 2005 as a portfolio manager on the UK small cap desk, responsible for the management of a number of pension funds focused on UK small and mid cap companies. In February 2008 he was appointed Portfolio Manager of the UK Smaller Companies Fund.

Previous to his appointment at AXA Investment Managers, Chris worked at ISIS (which later became Foreign & Colonial) where he progressed from equity analyst to lead fund manager on four institutional FTSE Small Cap funds. In 2003 he was promoted to lead fund manager of the UK Small Cap retail funds.

Chris began his career at PricewaterhouseCoopers in 1995 as part of the London Middle Market Business Advisory Service. After a short period in the Corporate and International Tax department, he moved to Corporate Finance.

Chris graduated from Durham University in 1995 with an honours degree in Philosophy and Psychology. He qualified as a Chartered Accountant in 1998.

Objective

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

Fund manager's commentary

Main changes to the portfolio during November

We used share-price volatility to add to core holdings and make reductions. We sold our holdings in Avast and James Fisher. We started new holdings in Rank Group as part of a fundraising and First Derivatives.

Factors affecting performance during November

Equity markets rose strongly in November following the release of positive late-stage trial data from three coronavirus vaccine candidates. The initial announcement from Pfizer catalysed a dramatic 'style rotation' as investors became immediately more optimistic about a global economic recovery. Companies that have shown earnings resilience, supported by strong balance sheets and positive long-term growth drivers, dramatically underperformed those companies deemed 'COVID-19 losers'. Many stocks exposed to cyclical end markets, such as banks and oil and gas companies, and those reliant on the congregation of individuals, such as travel and leisure, performed exceptionally well, in some cases reversing much of the capital losses incurred year-to-date. The extent and speed of this reversal has been described as a '6 Sigma' event, similar in quantum to the market moves seen in April 2009. In this context, the Fund performed strongly in absolute terms, rising 9.42%. However, it underperformed its benchmark FTSE 250 (ex-Investment Trusts) Index. The overweight position in pharmaceuticals and underweight position in travel and leisure detracted from relative performance. Positive stock performances of note included holdings of On The Beach, Rank Group and Intermediate Capital. Detractors on a relative basis included Future, Spirent and Dunelm, although we remain supportive of the investment case for all three.

Current market influences and outlook

The path to economic improvement and equity returns will be determined, at least in part, by the speed and medical success of the COVID-19 vaccines roll out. Although the announcement of vaccine trial success and imminent roll out has been met very positively by equity markets, it is worth bearing in mind that many economies remain restricted via lockdown and many companies are being forced to survive by dramatically increasing their debt burden. The long-term effects on business investment, inflation and the cost of capital will clarify over time, as will the impact on productive capacity, and secular/cyclical changes brought about by the devastating economic effect of the virus. From a UK perspective, the protracted Brexit negotiations should conclude shortly and provide improving clarity on the longer-term trading arrangements between the UK and the EU. In these times of volatile news and capital flow, we continue to focus on those companies that we believe can compound their earnings, and where balance sheet strength is supportive of that growth.

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
PETS AT HOME GROUP PLC	2.79%
FUTURE PLC	2.75%
WEIR GROUP PLC	2.24%
TI FLUID SYSTEMS PLC	2.18%
IWG PLC	2.16%
GRAFTON GROUP PLC	2.13%
DUNELM GROUP PLC	2.10%
ELECTROCOMPONENTS PLC	2.03%
SPIRENT COMMUNICATIONS PLC	1.94%
OSB GROUP PLC	1.93%
Total*	22.23%
Total number of holdings	69
Turnover (1 rolling year)	14.30

* 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 UK Mid Cap Fund Z GBP

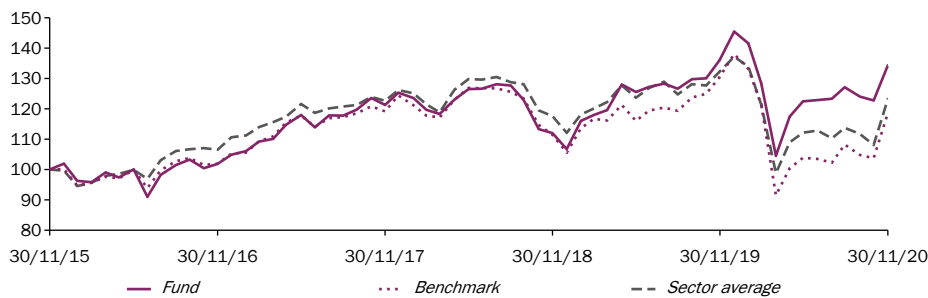
Discrete performance over 12 month periods to latest quarter end (%)

	30/09/15	30/09/16	30/09/17	30/09/18	30/09/19
	- 30/09/16	- 30/09/17	- 30/09/18	- 30/09/19	- 30/09/20
AXA Framlington UK Mid Cap Fund Z GBP	8.5	15.9	2.7	5.6	-4.4
Benchmark**	8.6	14.2	4.2	0.2	-15.3

Cumulative performance

	Fund (%)	Benchmark**(%)	Sector median*** (%)	Ranking	Quartile
6 M.	9.7	14.2	8.2	100/239	2
Year to date	-7.7	-14.1	-11.5	67/238	2
1 Y.	-1.2	-9.1	-7.9	46/238	1
3 Y.	10.7	-0.5	-0.8	35/227	1
5 Y.	34.3	18.6	21.4	41/215	1

Cumulative performance over five years



Source: AXA Investment Managers and Morningstar. Figures are quoted on single price basis, net of [R] 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 FTSE 250 Ex IT. 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 UK All Companies.

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.

Market Cap Allocation

	%
FTSE 100	8.74
FTSE 250	75.27
FTSE SmallCap	1.95
FTSE AIM	10.45
Other & AIM Exchange	1.11
Cash	2.48

Sector Allocation

	%
Industrials	32.51
Consumer Services	20.39
Financials	17.90
Health Care	8.72
Consumer Goods	7.81
Technology	4.85
Oil & Gas	2.66
Telecommunications	1.61
Basic Materials	1.07
Cash	2.48

Sources: AXA Investment Managers UK Limited and Morningstar. Unless otherwise stated all data shown is at 30/11/2020.

Fund facts

Fund type	Unit Trust
Fund size	£498.1m
Underlying Yield*	0.54%
Launch date	04/03/11
IA Sector	UK All Companies
Currencies available	GBP
Dealing day	09:00 to 17:30 business hours
Valuation point	12:00 London time

* Gross 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	0.84%
Min initial investment	£100,000
Min subsequent investment	£5,000
Min monthly investment	£50
ISA status	Eligible

Fund codes

Sedol	accumulation	B64W4Q7
	income	B3SYV56
ISIN	accumulation	GB00B64W4Q70
	income	GB00B3SYV567
MEX	accumulation	FRAABM
	income	FRAABN

Income payments

Accounting Final Ref Dates	30 Sept
Distributions Final Interim	30 Nov 31 May
Calendar year	Net income (p)
2015	3.39
2016	3.22
2017	2.80
2018	3.33
2019	3.52