

AXA Framlington Japan Fund Z GBP



CHISAKO HARDIE

Fund Manager

Joined June 2006

Chisako joined AXA Investment Managers in June 2006 and is the lead manager for the AXA Framlington Japan Fund.

Before joining AXA Investment Managers, she was Investment Director for six years at Scottish Widows Investment Partnership. Between 1996 and 2000, she held the position of Assistant Director at Martin Currie Investment Management. She started her career as Investment Analyst, first at Scottish Provident (from 1991 to 1994) and then at Scottish Life (from 1994 to 1996).

Chisako holds a BA in Sociology from Keio University, Tokyo, and is also a Chartered Member of the Securities Analysts Association of Japan.

Objective

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

Fund manager's commentary

Main changes to the portfolio during June

There were no major transactions.

Factors affecting performance during June

The top performer for the second consecutive month was bio-pharmaceutical company Sosei Group. Other strong performers included DMG Mori, a major machine tool company, and Park 24, the largest operator of car parks with fast-growing car-sharing services. On the other hand, the poorest performer of the month was Lifull, an information provider specialised in property, and HIS, a comprehensive tourism company, as well as biotech business Takara Bio.

Current market influences and outlook

All stock indices went up in June apart from TSE Mothers Index. The Nikkei index, which lost as much as 7.4% in May, rebounded by 3.3%. Global investors' concerns over the US additional tariffs on imports from Mexico weighed on the market early in the month but the expectations for monetary easing in the US and Europe supported investor sentiment and the Japanese stock market went up. Towards the end of the month, remarks from US President Donald Trump raised hopes for an improvement in US-China relations, which pushed up the market up further.

Although short-term visibility is low, we continue to have a positive outlook for the Japanese market in 2019. Capital investment both in private and public sectors is expected to be strong, and private consumption, which accounts for 60% of the Japanese economy, is also most likely to be firm. A large part of Japanese infrastructure, which was built during the 1960s and 1970s now requires repair or re-building. Many companies need to invest in automation and robotics to improve productivity in this business environment where the labour shortage is becoming an issue, which in turn is working positively for wages which will stimulate consumption. The increase in the rate of consumption tax scheduled on the 1 October is a risk but the government will introduce many exemptions to help ease the negative impact. While earnings per share of corporate Japan continue to be on upward trend, valuations have come down to extremely low levels.

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
SOSEI GROUP CORP	2.11%
SOFTBANK GROUP CORP	2.01%
PEPTIDREAM INC	1.41%
HITACHI LTD	1.35%
MITSUBISHI ESTATE CO LTD	1.35%
HORIBA LTD	1.35%
NIDEC CORP	1.33%
UT GROUP CO LTD	1.33%
FUJIFILM HOLDINGS CORP	1.32%
ITOCHU TECHNO-SOLUTIONS CORP	1.30%
Total*	14.85%
Total number of holdings	94
Turnover (1 rolling year)	15.81

* 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)

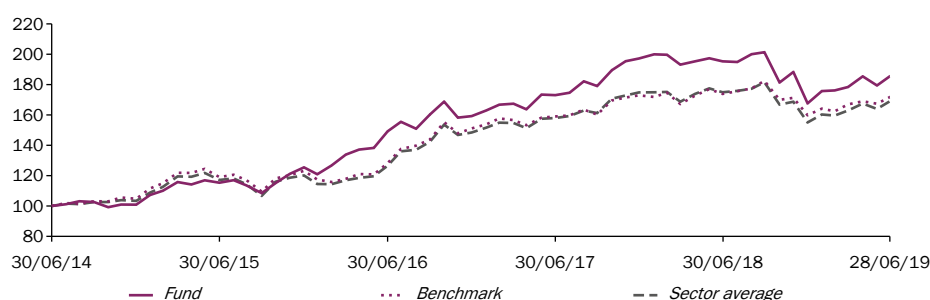
Discrete performance over 12 month periods to latest quarter end (%)

	30/06/14	30/06/15	30/06/16	30/06/17	30/06/18
	- 30/06/15	- 30/06/16	- 30/06/17	- 30/06/18	- 30/06/19
AXA Framlington Japan Fund Z GBP	15.3	29.3	16.0	12.9	-5.0
Benchmark**	19.0	7.7	24.0	9.3	-1.2

Cumulative performance

	Fund (%)	Benchmark** (%)	Sector median*** (%)	Ranking	Quartile
6 M.	10.7	7.5	8.3	22/73	2
Year to date	10.7	7.5	8.3	22/73	2
1 Y.	-5.0	-1.2	-2.5	51/73	3
3 Y.	24.3	33.9	33.3	59/69	4
5 Y.	85.5	71.8	67.1	9/61	1

Cumulative performance over five years



Based on Z (INC) share class since 19/01/15 compounded with R share class performance history prior to that date. For details of the R share class, including the Ongoing Charge Figure, please see the relevant factsheet or KIID. The Z share class is now the representative primary Investment Association share class.

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 FTSE Japan. Prior to 12/04/2013 the benchmark of the fund was Topix 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 Japan.

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

	%
<1 Bn€	17.68
1 Bn€ - 3 Bn€	28.39
3 Bn€ - 5 Bn€	8.11
5 Bn€ - 10 Bn€	14.62
>10 Bn€	30.27
Cash	0.93

Sector Allocation

	%
Industrials	28.02
Technology	15.63
Consumer Goods	13.94
Health Care	12.71
Consumer Services	9.89
Financials	9.41
Basic Materials	6.42
Telecommunications	2.01
Utilities	1.06
Cash	0.93

Fund facts

Fund type	Unit Trust
Fund size	£241.5m
Underlying Yield*	0.64%
Launch date	29/02/84
IA Sector	Japan
Currencies available	GBP
Dealing day	09:00 to 17:30 business hours
Valuation point	12:00 London time

* As at 28/06/2019. *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
ISA status	Eligible

Fund codes

Sedol	accumulation	B7FSWP6
	income	BRJZVR8
ISIN	accumulation	GB00B7FSWP64
	income	GB00BRJZVR88
MEX	accumulation	FRJAPN
	income	ELABHT
Valoren	accumulation	385178
	income	385176
Bloomberg	accumulation	FRAJAPA LN
	income	FRAJAPI LN

Income payments

Accounting	Final	15 Feb
Ref Dates		
	Interim	15 Aug
Calendar year		Net income (p)
2017		0.76
2018		0.66

Sources: AXA Investment Managers UK Limited and Morningstar. Unless otherwise stated all data shown is at 28/06/2019.