

# AXA Framlington American Growth Fund Z GBP



## STEPHEN KELLY

### Fund Manager

#### Joined February 1997

Stephen joined AXA Investment Managers in 1997 as a fund manager on the US Desk, responsible for the US Growth funds. He is lead manager for the AXA Framlington American Growth Fund.

Previously, he worked at Olliff & Partners as a trainee in the equity research department, where he covered the UK paper and packaging sector. In 1992 he joined the US Desk at Capel Cure Myers as an assistant fund manager before being promoted in 1995 to fund manager.

Stephen graduated from the University of Exeter in 1990 with an honours degree in Economics.

## Objective

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

## Fund manager's commentary

### Main changes to the portfolio during August

We initiated new positions in Intercontinental Exchange and SVB Financial and closed positions in Cerner Corp and Diamondback Energy.

### Factors affecting performance during August

The Fund outperformed its comparative benchmark, the S&P 500 Index, over the month. This was largely driven by our underweight positions in the utilities and financials sectors. Optimism about the performance of the economy also drove a strong recovery in our travel-related holdings, Royal Caribbean and Booking Holdings. Our overweight position in the healthcare sector acted as a headwind as the market focused on more economically sensitive sectors.

### Current market influences and outlook

Equity markets climbed sharply in August as the latest wave of COVID 19 infections slowed and the economy continued to make a strong recovery. The economic impact from the latest outbreak has been significantly more limited than the first as both individuals and health authorities have demonstrated a much better understanding of how to respond to, and limit the impact of, the virus, as evidenced by a significantly lower mortality rate. This progress allowed several of the more cyclical sectors in the market to perform strongly.

A sharp rise in the shares of large-cap technology stocks was another feature of August, with stock splits from Apple and Tesla grabbing the attention of retail investors who bid up their share prices. This frothy element to the market began to unwind in early September. We view such a correction as healthy and would welcome a period of consolidation for many of the market's year-to-date high fliers, allowing fundamentals to catch up with valuations. We continue to believe that the long-term growth dynamics for many large-cap technology stocks remains extremely healthy.

August also witnessed a once in a generational shift in US Federal Reserve (Fed) strategy. Instead of targeting a fixed level of inflation the Fed will now target an average level of inflation over time, thus acknowledging that it has been overly aggressive at raising rates in the past. We believe this is essentially messaging that interest rates will be staying low for a prolonged period and this should be very supportive for equity markets and growth stocks. This long-term favourable backdrop is further enhanced by the structural shift towards an increasingly digital economy that has been significantly accelerated by the pandemic.

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        |
|----------------------------------|---------------|
| MICROSOFT CORP                   | 6.83%         |
| APPLE INC                        | 6.51%         |
| AMAZON.COM INC                   | 5.65%         |
| ALPHABET INC                     | 4.86%         |
| FACEBOOK INC                     | 3.42%         |
| SALESFORCE.COM INC               | 2.08%         |
| VISA INC                         | 1.79%         |
| AMERICAN EXPRESS CO              | 1.69%         |
| FIRST REPUBLIC BANK              | 1.69%         |
| CHIPOTLE MEXICAN GRILL INC       | 1.67%         |
| <b>Total*</b>                    | <b>36.19%</b> |
| <b>Total number of holdings</b>  | <b>70</b>     |
| <b>Turnover (1 rolling year)</b> | <b>35.60</b>  |

\* 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)

## AXA Framlington American Growth Fund Z GBP

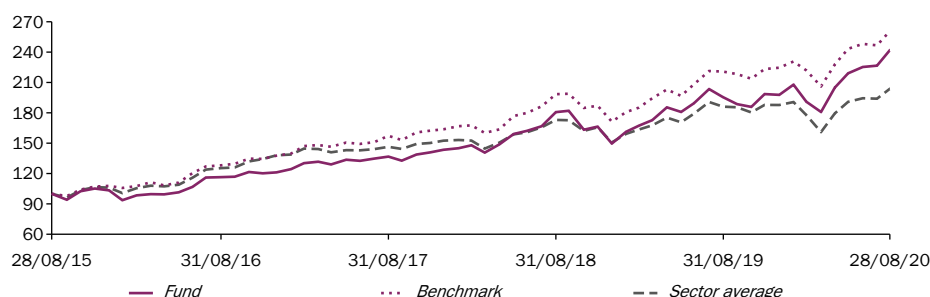
## Discrete performance over 12 month periods to latest quarter end (%)

|  | 30/06/15<br>- 30/06/16 | 30/06/16<br>- 30/06/17 | 30/06/17<br>- 30/06/18 | 30/06/18<br>- 30/06/19 | 30/06/19<br>- 30/06/20 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| AXA Framlington American Growth Fund Z GBP | 8.1                    | 24.1                   | 22.4                   | 16.8                   | 18.9                   |
| Benchmark**                                | 21.2                   | 23.9                   | 20.5                   | 15.7                   | 19.2                   |

## Cumulative performance

|              | Fund (%) | Benchmark** (%) | Sector median*** (%) | Ranking | Quartile |
|--------------|----------|-----------------|----------------------|---------|----------|
| 6 M.         | 26.7     | 17.5            | 14.1                 | 19/143  | 1        |
| Year to date | 22.3     | 16.1            | 8.3                  | 22/143  | 1        |
| 1 Y.         | 23.7     | 18.1            | 9.7                  | 22/142  | 1        |
| 3 Y.         | 77.0     | 65.8            | 39.4                 | 15/134  | 1        |
| 5 Y.         | 141.9    | 160.7           | 106.6                | 18/121  | 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 100% S&P 500 Total Return Net. Prior to 01/07/2008 the benchmark of the fund was S&P 500 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 North America sector.

In order that investors can monitor the progress of their investment, the returns on the Fund are compared with those of a Composite Index/Benchmark/Sector which we believe best matches the long term objectives of the Fund. This information has been included for comparative purposes only. The objective and policy of the Fund may not precisely match this comparison.

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

|                                 | %     |
|---------------------------------|-------|
| Large cap (> US\$15bn)          | 76.95 |
| Medium cap (US\$1bn - US\$15bn) | 20.55 |
| Small cap (< US\$1bn)           | 0.36  |
| Cash                            | 2.15  |

## Sector Allocation

|                        | %     |
|------------------------|-------|
| Technology             | 38.93 |
| Health Care            | 20.67 |
| Consumer Discretionary | 17.42 |
| Financial Services     | 11.30 |
| Producer Durables      | 5.46  |
| Materials & Processing | 2.10  |
| Consumer Staples       | 1.45  |
| Energy                 | 0.53  |
| Cash                   | 2.15  |

Sources: AXA Investment Managers UK Limited and Morningstar. Unless otherwise stated all data shown is at 28/08/2020.

## Fund facts

|                      |                               |
|----------------------|-------------------------------|
| Fund type            | Unit Trust                    |
| Fund size            | £730.6m                       |
| Underlying Yield*    | 0.00%                         |
| Launch date          | 23/12/92                      |
| IA Sector            | North America                 |
| Currencies available | GBP                           |
| Dealing day          | 09:00 to 17:30 business hours |
| Valuation point      | 12:00 London time             |

\* As at 28/08/2020. \* 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           | 0.82%    |
| Min initial investment    | £100,000 |
| Min subsequent investment | £5,000   |
| ISA status                | Eligible |

## Fund codes

|           |                     |                              |
|-----------|---------------------|------------------------------|
| Sedol     | accumulation income | B5LXGG0<br>B4152K5           |
| ISIN      | accumulation income | GB00B5LXGG05<br>GB00B4152K59 |
| MEX       | accumulation income | FRAGA<br>FRAG                |
| Valoren   | accumulation income | 24504<br>24501               |
| Bloomberg | accumulation income | FRAAMGA LN<br>FRAAMGI LN     |

## Income payments

|                            |        |
|----------------------------|--------|
| Accounting Final Ref Dates | 28 Feb |
| Interim                    | 31 Aug |