

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 March

We used share price volatility to add to core holdings and make reductions. A new holding was taken in Intermediate Capital Group. The holding in FTSE 100 company Informa was sold.

Factors affecting performance during March

Equity returns have been dominated by the impact of the COVID-19 pandemic. The dramatic economic slowdown caused by the attempt to slow the spread of the virus has resulted in multiple profit warnings, cancellation of dividends and delayed capital expenditure. Governments and management teams have been working to minimise the risk that this liquidity crisis develops into a solvency crisis. Share price movements have been material and, at times, indiscriminate and unpredictable. Technical selling, driven by the huge amount of capital controlled by algorithmic trading platforms and ETFs, has resulted in - what has felt at times like - capitulation. Inevitably opportunities are presenting themselves in the chaos.

Over the month, the Fund significantly outperformed its comparative benchmark index. Stock selection and sector allocation contributed to relative outperformance. Positive stock performances of note included the holdings in Intermediate Capital Group (new holding bought after a precipitous fall), Vectura and Sanne. Detractors on a relative basis included Pennon, Direct Line Insurance and Assura (none of which are owned).

Current market influences and outlook

Societies across the globe are being asked or forced to trade personal freedom in exchange for centrally-controlled attempts, to slow the spread of the virus and prevent the overloading of healthcare systems. In many cases, for example in the UK, the quid pro quo for this loss of freedom and the inevitable economic damage that will be caused, is material government intervention and economic support for the economy and its participants. Banks, pilloried as the cause of the global financial crisis, will need to be part of the solution to this crisis and are being encouraged to lend and waive banking covenants in order to help preserve the productive capacity of the economy. Companies are cutting dividends, deferring capital expenditure and reducing headcount in response. Volatility is likely to remain a feature going forward, but at least it appears that central bank and government intervention has stabilised credit markets and ensured the flow of necessary credit and liquidity.

We remain focused on UK and internationally-exposed businesses, where the fundamental profit drivers remain entrenched and equity-holders benefit from the capital allocated and risks taken by management. We continue to believe that a rewarding strategy is to actively invest in UK-listed companies that are compounding their earnings and dividends, where corporate governance is world leading, where contract law and title law are dependable, and where company management teams are permanently accessible.

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 |
|----------------------------------|---------------|
| GRAINGER PLC | 2.52% |
| FUTURE PLC | 2.51% |
| CRANSWICK PLC | 2.46% |
| ULTRA ELECTRONICS HOLDINGS PLC | 2.42% |
| SPIRENT COMMUNICATIONS PLC | 2.41% |
| HOMESERVE PLC | 2.31% |
| QINETIQ GROUP PLC | 2.27% |
| SAFESTORE HOLDINGS PLC | 2.24% |
| POLYPIPE GROUP PLC | 2.23% |
| TP ICAP PLC | 2.12% |
| Total* | 23.49% |
| Total number of holdings | 66 |
| Turnover (1 rolling year) | 13.17 |

FRAMLINGTON EQUITIES

AXA Framlington UK Mid Cap Fund Z GBP

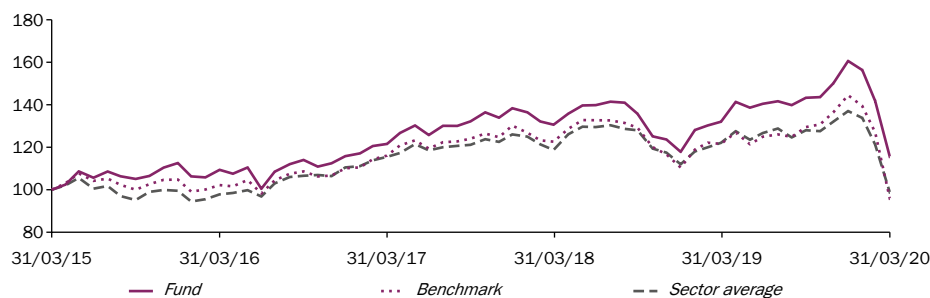
Discrete performance over 12 month periods to latest quarter end (%)

| | 31/03/15 | 31/03/16 | 31/03/17 | 31/03/18 | 31/03/19 |
|---------------------------------------|------------|------------|------------|------------|------------|
| | - 31/03/16 | - 31/03/17 | - 31/03/18 | - 31/03/19 | - 31/03/20 |
| AXA Framlington UK Mid Cap Fund Z GBP | 9.37 | 11.2 | 7.5 | 1.08 | -12.6 |
| Benchmark** | 2.18 | 13.6 | 5.64 | -0.86 | -21.2 |

Cumulative performance

| | Fund (%) | Benchmark** (%) | Sector median*** (%) | Ranking | Quartile |
|--------------|----------|-----------------|----------------------|---------|----------|
| 6 M. | -19.4 | -26.0 | -22.9 | 55/252 | 1 |
| Year to date | -28.1 | -33.7 | -27.0 | 145/253 | 3 |
| 1 Y. | -12.6 | -21.2 | -19.1 | 39/250 | 1 |
| 3 Y. | -5.0 | -17.5 | -14.6 | 40/241 | 1 |
| 5 Y. | 15.4 | -4.2 | -1.4 | 26/224 | 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 All-Share. 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 | 8.65 |
| FTSE 250 | 70.89 |
| FTSE SmallCap | 2.84 |
| FTSE Fledgling | 0.01 |
| FTSE AIM | 10.42 |
| Other & AIM Exchange | 1.73 |
| Cash | 5.46 |

Sector Allocation

| | % |
|-------------------|-------|
| Industrials | 29.51 |
| Financials | 21.69 |
| Consumer Services | 15.93 |
| Consumer Goods | 8.22 |
| Health Care | 7.91 |
| Technology | 7.55 |
| Oil & Gas | 2.42 |
| Basic Materials | 1.32 |
| Cash | 5.46 |

Fund facts

| | |
|----------------------|-------------------------------|
| Fund type | Unit Trust |
| Fund size | £311.3m |
| Underlying Yield* | 1.79% |
| 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 | 30 Sept |
| Ref Dates | |
| Distributions Final | 30 Nov |
| Interim | 31 May |
| Calendar year | Net income (p) |
| 2015 | 3.39 |
| 2016 | 3.22 |
| 2017 | 2.80 |
| 2018 | 3.33 |
| 2019 | 3.52 |

Sources: AXA Investment Managers UK Limited and Morningstar. Unless otherwise stated all data shown is at 31/03/2020.