

# AXA Framlington Managed Balanced Fund Z GBP



**JAMIE FORBES-WILSON**  
**Co-Manager – UK Equities**  
**Joined 2003**

Jamie joined AXA Investment Managers in 2003 as an investment manager responsible for charity, pension and private client portfolios. He began his career in 1996 as a graduate trainee with Wise Speke, a regional private client stockbroking firm. The company subsequently became part of Brewin Dolphin, where he worked as a private client portfolio manager.

Jamie graduated from Exeter University in 1996 with a BA (Hons) degree in Economic History and Politics. He is a Chartered Fellow of the Chartered Institute for Securities and Investment (CFSI).



**David Shaw**  
**Joined 2016**

David joined AXA Investment Managers in 2016 as deputy manager of the AXA Framlington American Growth Fund. He is the lead portfolio manager of the AXA Framlington US Select Growth strategy and the co-manager of the Global Equity Growth strategy. He worked previously with Aerion Fund Management and NPI Asset Management.

David graduated from City University of London with a BSc (Hons) in Electronic Engineering. He is a member of CFA UK (ASIP) and has completed the London Business School Investment Management Programme.

## Objective

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

## Fund manager's commentary

### Main changes to the portfolio during August

There was portfolio activity in several of the geographic regions. In the UK sleeve of the portfolio we reduced Sanne following a bid approach and increased exposure to Sage; in the US sleeve, DexCom was reduced and Activision Blizzard was increased. In the fixed income sleeve, our overall duration (a measure of the sensitivity of a bond's price to a change of interest rates) remains broadly neutral versus the benchmark. In terms of country allocation for the global funds, our biggest overweights remain in the UK and US against underweights in the euro area and Japan.

### Factors affecting performance during August

August saw the seventh consecutive month of gains for global indices, despite some jitters. With the US Federal Reserve (Fed) providing some reassurance for markets at the Jackson Hole symposium that any tempering of its highly-accommodative monetary stance will be approached with extreme care, investors could focus on the strong corporate earnings. During the month the S&P 500 Index delivered its fiftieth all-time high of 2021 as worries around tapering receded. Technology was a significant contributor to global indices as better news about the outlook for semiconductor production emerged. Growth stocks benefited from low US yields. The US Senate passed a bipartisan infrastructure bill that contained \$550bn of new spending and this passed to the House of Representatives where a final package is likely to be agreed sometime in the Autumn. The oil price rallied from the weakness it had suffered due to the spread of the COVID-19 Delta variant, while metals prices continued to follow Chinese macro data.

The bond market rally, which started in the second quarter, stalled in August as concerns around central banks' tapering their asset purchase programmes grew. 10-year US Treasuries opened the month at 1.22% and traded in a relatively narrow range through the month, closing 8 basis points (bps) higher in yield at 1.3%. The Bank of England at its August meeting gave investors clearer guidance on its sequencing intentions, announcing that it intended to stop its reinvestment of maturing holdings once base rates reached 0.5%, while it would consider actively selling assets once base rates got to 1%. Global inflation-linked bonds once again outperformed their nominal equivalents, breakevens (the difference in yield between a nominal bond and an inflation-linked bond) widening across markets as inflation prints remained at elevated levels.

The Fund outperformed the benchmark during the month. From a regional perspective, the Fund's equity positions in all regions other than Japan outperformed their respective benchmarks. Fixed income returns were negative during the period and they modestly underperformed the benchmark.

At a stock level, the key positive relative contributors were Genuit, Workday, Ceres Power, Hill & Smith, Sanne, and SSE.

### Current market influences and outlook

Changes in virus patterns will remain a primary focus for markets, however speculation around the tapering of asset purchases and the timing of future interest rate hikes is likely to increase. Inflation readings look set to remain at elevated levels in the near-term while the debate around the transitory nature of these higher readings will continue. Corporate results continue to impress, however, the expectation of strong global growth rates through the remainder of the year and into 2022 is coming into question. Consequently, the battle between value and growth relative performance will remain a feature of equity markets. We are not altering our investment style and continue to believe that macro events cannot be accurately nor consistently predicted. As such, the Fund retains a preference for longer-term structural trends and quality companies that can deliver robust, reliable and consistent growth, supported by a simple government bond and cash hedge.

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
AXA FRAMLINGTON EMERGING MARKETS FUND	2.60%
JAPAN GOVERNMENT TEN YEAR BOND 0.1% 09/20/2026	1.42%
ASTRAZENECA PLC	1.32%
DIAGEO PLC	1.31%
BP PLC	1.12%
DECHRA PHARMACEUTICALS PLC	1.09%
US TREASURY NOTE 1.5% 08/15/2026	1.07%
ALPHABET INC	1.06%
INTERMEDIATE CAPITAL GROUP PLC	1.01%
RECKITT BENCKISER GROUP PLC	0.97%
<b>Total*</b>	<b>12.97%</b>
<b>Total number of holdings</b>	<b>189</b>
<b>Turnover (1 rolling year)</b>	<b>14.73</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)

## FRAMLINGTON EQUITIES

## AXA Framlington Managed Balanced Fund Z GBP

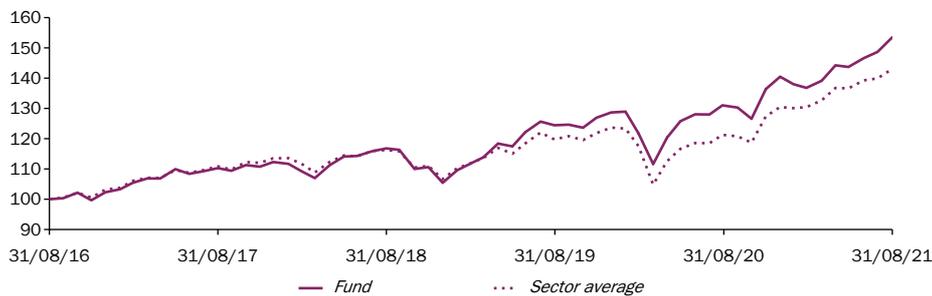
## Discrete performance over 12 month periods to latest quarter end (%)

	30/06/16	30/06/17	30/06/18	30/06/19	30/06/20
	- 30/06/17	- 30/06/18	- 30/06/19	- 30/06/20	- 30/06/21
AXA Framlington Managed Balanced Fund Z GBP	15.9	5.4	6.9	4.8	14.5

## Cumulative performance

	Fund (%)	Sector median*** (%)	Ranking	Quartile
6 M.	12.2	9.5	27/194	1
Year to date	9.3	9.6	107/189	3
1 Y.	17.2	18.1	107/185	3
3 Y.	31.4	22.2	20/164	1
5 Y.	53.5	42.4	27/142	1

## Cumulative performance over five years



Based on Z (ACC) share class since 16/04/12 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 [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.

The fund does not have an official benchmark. The fund's peer group sector is the IA Mixed Investment 40-85% Shares sector which is provided here for performance comparison purposes only.

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.

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## Geographical Allocation

	%
United Kingdom	34.11
United States of America	25.46
Japan	8.47
Cash	5.14
Switzerland	4.45
France	4.42
Germany	2.99
Ireland	2.61
Other	12.36

## Sector Allocation

	%
Health Care	13.78
Information Technology	12.85
Financials	11.27
Industrials	10.76
Consumer Discretionary	10.38
Consumer Staples	6.12
Cash	5.30
Materials	4.54
Other	25.00

Sources: AXA Investment Managers UK Limited and Morningstar. Unless otherwise stated all data shown is at 31/08/2021.

## Fund facts

Fund type	Unit Trust
Fund size	£1196.4m
Underlying Yield*	0.61%
Launch date	23/12/92
IA Sector	Mixed Investment 40-85% Shares
Currencies available	GBP
Dealing day	09:00 to 17:30 business hours
Valuation point	12:00 London time

\* As at 31/08/2021. \*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	0.69%
Min initial investment	£100,000
Min subsequent investment	£5,000
ISA status	Eligible

## Fund codes

Sedol	accumulation	B7MMHK1
	income	B7MQY79
ISIN	accumulation	GB00B7MMHK16
	income	GB00B7MQY793
MEX	accumulation	FRMGBC
	income	FRMNGB
Bloomberg accumulation		FRAEBAA LN
	income	FRAEBAL LN

## Income payments

Accounting Ref Dates	Final	31 Dec
Distributions	Interim	30 Jun
	Final	28 Feb
Calendar year	Net income (p)	
2016	1.81	
2017	2.24	
2018	4.21	
2019	1.88	
2020	2.00	