

AXA Distribution Fund Z GBP



Jamie FORBES-WILSON
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 (FCSI).

Merger between AXA Distribution Fund (AXA UK Investment ICVC) and AXA Distribution Fund R (AXA Distribution Investment ICVC) dated 16/05/2008.

Objective

The aim of this Fund is to provide income with some prospect for long-term capital growth.

Fund manager's commentary

Main changes to the portfolio during July

There was a modest level of activity in the portfolio during the month. The strength in the fixed income market allowed us to capitalise on recent moves to cover outflows.

Factors affecting performance during July

The FTSE All-Share Index built on the progress it has made so far this year, gaining +0.53%; however, the large-caps notably underperformed the mid-cap index. The FTSE 100 Index was virtually unchanged in July, up +0.07%, while the FTSE 250 (ex-Investment Companies) Index more than regained the previous month's weakness, climbing +2.70%. The FTSE Small Cap (ex-Investment Companies) Index continued the strength that it has enjoyed all year, up +1.24%. On a year-to-date basis, the FTSE All-Share Index has gained +11.68% on a total return basis.

The continuation of the vaccine rollout and lifting of restrictions provided a tailwind for global markets during July. Equity markets looked to the bond market for direction and, with bond yields declining again, growth stocks benefited to the detriment of value names. US markets were particularly strong, while in Far Eastern markets unexpected moves by the Chinese government unsettled investors and led to broad weakness. In the UK, supply bottlenecks and the 'pingdemic' phenomenon impacted economic growth and added to inflationary pressures. The duration of these inflationary factors remains a key debate in domestic and international markets.

In corporate news, supermarket chain Morrisons is subject to competing takeover bids; Spire Healthcare attracted an improved takeover offer; homewares group Dunelm recorded a 101.7% rise in sales during the 13 weeks to 26 June; Vectura attracted a counterbid by Philip Morris International; BlackRock handed the majority of its employees an 8% pay rise; Ultra Electronics received a cash bid from Cobham; and Avast announced it is in advanced talks over a merger with US peer NortonLifeLock.

The bond market rally, which started in the second quarter, gathered momentum through July with bond yields revisiting levels last seen back in February. Technical factors, such as positioning and summer trading conditions, all helped to underpin the rally in bonds. Central banks remain explicit in their guidance on short rates, which will remain anchored until inflation is above their target for a sustained period; the backdrop should continue to be supportive for breakevens (the difference between the yield on a nominal fixed-rate bond and the real yield on an inflation-linked bond of similar maturity and credit quality) and inflation-linked bonds.

The UK's Consumer Price Index inflation rate jumped to 2.5%, while the Retail Price Index measure of inflation increased to 3.9%.

Current market influences and outlook

The central asset mix of the Fund is 55% UK equities, 35% index-linked gilts, 7% conventional gilts, and 3% cash.

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 ten holdings

	%
UK GILT INFLATION LINKED 0.125% 03/22/2024	9.2
UK GILT INFLATION LINKED 0.13% 03/22/2026	3.9
RIO TINTO PLC	2.6
GLAXOSMITHKLINE PLC	2.5
DIAGEO PLC	2.4
UK GILT INFLATION LINKED 1.875% 11/22/2022	2.4
UK GILT INFLATION LINKED 2.5% 07/17/2024	2.4
UK GILT INFLATION LINKED 0.125% 03/22/2029	2.2
3I GROUP PLC	2.1
ASTRAZENECA PLC	2.1
Total*	31.8
Total number of holdings	98

* 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.

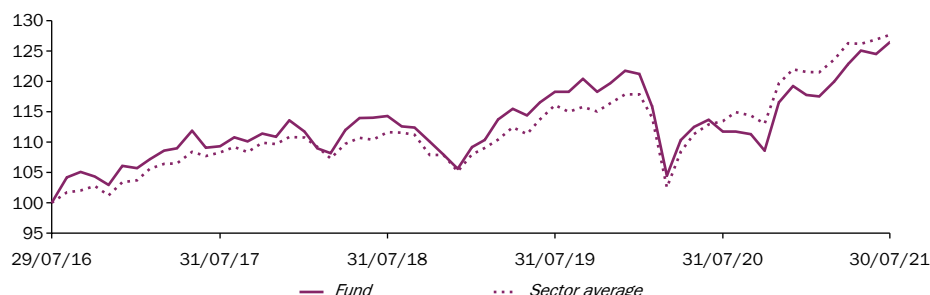
Discrete performance over 12 month periods to latest quarter end (%)

	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 Distribution Fund Z GBP	12.0	4.5	2.2	-2.4	9.5

Cumulative performance

	Fund (%)	Sector median (%)	Ranking	Quartile
6 M.	7.4	5.5	25/177	1
Year to date	6.1	5.0	52/176	2
1 Y.	13.2	13.0	77/170	2
3 Y.	10.6	14.8	117/145	4
5 Y.	26.4	27.4	77/134	3

Cumulative performance over five years



Performance data takes into account the annual management charges, but not any initial charge that may be payable. 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. **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 OE Mixed Investment 20-60% sector which is provided here for comparison purposes only.

Asset Class Allocation

	%
Sterling Equities	56.21
Sterling Index-Linked	34.03
Sterling Government Bonds	5.80
Cash	3.96

Ratings allocation of bond portfolio

	%
AA	100.00

Sources: AXA Investment Managers UK Limited and Morningstar. Unless otherwise stated all data shown is at 30/07/2021.

Fund facts

Fund type	OEIC
Fund size	£661.1m
Underlying Yield*	1.41%
Launch date	16/05/08
IA Sector	Mixed Investment 20-60% Shares
Currencies available	GBP
Dealing day	09:00 to 17:30 business hours
Valuation point	12:00 London time

* 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	0.00%
Ongoing charges	0.77%
Min initial investment	£100,000
Min subsequent investment	£5,000
Min monthly investment	£50
ISA status	Eligible

Fund codes

Sedol	accumulation	0616010
	income	0616054
ISIN	accumulation	GB0006160104
	income	GB0006160542
MEX	accumulation	SNDIAA

Income payments

Accounting Ref Dates	Final	31 May
	Interim	31 Aug, 30 Nov, 28 Feb
Distributions	Final	31 Jul
	Interim	31 Oct, 31 Jan, 30 Apr
Calendar year	Net income (p)	
2016	3.62	
2017	3.07	
2018	3.37	
2019	3.89	
2020	2.12	