

## AXA Framlington Biotech Fund Z GBP

**LINDEN THOMSON****Fund Manager****Joined June 2011**

Linden Thomson joined AXA IM in June 2011 as sector specialist on the Healthcare equity desk.

Linden joined AXA IM from Hedge Fund Clear River Capital where she was responsible for fundamental stock research across the global pharmaceutical and biotechnology sectors. Prior to that she worked for Goldman Sachs on the sell side where she was based in the healthcare research team with specific focus on the biotechnology sector.

She graduated from Edinburgh University with a BSc in Medical Microbiology and is a CFA Charterholder.

## Objective

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

## Fund manager's commentary

### Main changes to the portfolio during January

Our changes primarily involved adjusting position sizes in many of the portfolio's small and mid-cap holdings. We closed our position in Deciphera Pharma and took profits from our position in Rocket Pharma. In our large-cap holdings, we increased our position in Biogen.

### Factors affecting performance during January

Biotech stocks rose in January, continuing the strong performance achieved in the previous year. There appears to be significant interest from investors in biotech, but at times the interest is focused on a narrow range of companies with a similar technology or therapeutic focus. So, while the overall index appears to rise, in the short term, the rally may be driven by a small number of stocks. The Fund underperformed its benchmark in January. Our underweight position in Moderna detracted from performance, in contrast to December where the underweight contributed positively to performance, highlighting the short-term volatility in some stocks. Positive performance came from COVID-19 vaccine developer Valneva and China-focused biotech Zai Labs. However, our overweight position in Sarepta detracted from performance after the company reported a disappointing clinical trial update.

### Current market influences and outlook

Broader market sentiment will dominate the near-term outlook for the biotech sector. The sector has performed strongly this year and we could see some short-term volatility if investors increase allocations to more cyclical stocks. Stock prices are reasonable and innovation in pipelines outside of COVID-19 are strong, so we believe biotech offers a good long-term investment opportunity. Novel biotechnologies were at the forefront of the COVID-19 vaccine and treatment development in 2020, highlighting the value of the sector to a larger audience. It would not surprise us if biotech receives greater attention from investors beyond the pandemic given the remarkable progress being made by companies across a range of disease areas. The US election resulted in a win for Joe Biden and control of both the Senate and the House of Representatives for Democrats. This has led some to speculate about changes to US healthcare policy and any speculation or action on healthcare policy could induce volatility in the sector. We are cognisant of this risk, but the COVID-19 pandemic has shown the value of healthcare innovation and the biotech sector has proven itself to be an innovation leader. We believe healthcare innovation will continue to be valued by all stakeholders.

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
AMGEN INC	6.82%
ALEXION PHARMACEUTICALS INC	6.17%
REGENERON PHARMACEUTICALS INC	5.76%
BIOGEN INC	4.94%
VERTEX PHARMACEUTICALS INC	4.09%
MODERNA INC	3.63%
GILEAD SCIENCES INC	3.56%
SEATTLE GENETICS INC	3.43%
ILLUMINA INC	3.32%
INCYTE CORP	2.90%
<b>Total*</b>	<b>44.61%</b>
<b>Total number of holdings</b>	<b>60</b>
<b>Turnover (1 rolling year)</b>	<b>31.95</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)

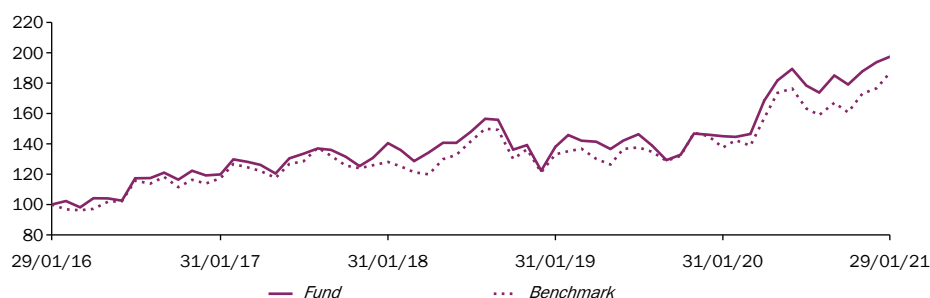
## Discrete performance over 12 month periods to latest quarter end (%)

	31/12/15	31/12/16	31/12/17	31/12/18	31/12/19
	- 31/12/16	- 31/12/17	- 31/12/18	- 31/12/19	- 31/12/20
AXA Framlington Biotech Fund Z GBP	-4.9	9.7	-6.4	19.4	32.7
Benchmark**	-6.6	10.6	-3.7	19.6	21.8

## Cumulative performance

	Fund (%)	Benchmark** (%)	Sector median*** (%)	Ranking	Quartile
6 M.	10.7	14.4	-	-	-
Year to date	1.9	5.8	-	-	-
1 Y.	36.1	35.8	-	-	-
3 Y.	40.6	45.9	-	-	-
5 Y.	97.4	86.8	-	-	-

## 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 Nasdaq Biotech. 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 Lipper Global Equity Sector Biotechnology.

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.

The geographical breakdown is based on the country classification as published by the index provider. The second available source is the Country ISO from Bloomberg (or Ultimate Country of risk for Emerging markets funds).

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 geographical breakdown is based on the country classification as published by the index provider. The second available source is the Country ISO from Bloomberg (or Ultimate Country of risk for Emerging markets funds).

## Geographical Allocation

	%
North America	83.21
Europe Ex UK	8.07
Emerging	3.89
UK	3.38

## Sector Allocation

	%
BIOTECH PRODUCT	85.98
DRUG DELIVERY	0.73
ENABLING TECHNOLOGY / TOOLS	5.28
HEALTHCARE SERVICES	0.00
PHARMA	1.03
SPECIALTY PHARMA	6.11
Cash	0.87

Sources: AXA Investment Managers UK Limited and Morningstar. Unless otherwise stated all data shown is at 29/01/2021.

## Fund facts

Fund type	Unit Trust
Fund size	£516.7m
Underlying Yield*	0.00%
Launch date	24/10/01
Currencies available	GBP
Dealing day	09:00 to 17:30 business hours
Valuation point	12:00 London time

\* As at 29/01/2021. \*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	0.83%
Min initial investment	£100,000
Min subsequent investment	£5,000
Min monthly investment	£N/A
ISA status	Eligible

## Fund codes

Sedol	accumulation	B784NS1
	income	BRJZVL2
ISIN	accumulation	GB00B784NS11
	income	GB00BRJZVL27
MEX	accumulation	FRBOTH
	income	ELABHN
Bloomberg	accumulation	FRABIOZ LN
	income	FRABIZI LN

## Income payments

Accounting	Final	31 Aug
Ref Dates		
	Interim	28 Feb