

AXA Framlington Emerging Markets Fund Z GBP



PAUL BIRCHENOUGH

Paul Birchenough joined AXA IM in April 2011. Paul joined AXA IM from Nevsky Capital where he worked as an Investment Analyst specialising in the Latin America region with broad sector coverage. Prior to joining Nevsky Capital in early 2010, he was an Associate within the Corporate Finance department at KPMG. Paul's earlier career at KPMG included positions in Transaction Services and the Audit department. Paul has a BSc (Hons) in Mathematics from Nottingham University and is an Associate Chartered Accountant.



IAN SMITH

Ian joined AXA IM in February 2012. Prior to joining AXA IM, Ian was an Investment Analyst with Matrix Group responsible for covering the Financials sector within Asia. Prior to that Ian worked for Nevsky Capital responsible for covering the Financials sector within Latam & Asia. Ian has a BA in Economics and Politics from Durham University and gained ACA qualification in 2003.

Objective

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

Fund manager's commentary

Main changes to the portfolio during July

We initiated a new position in Ambev and closed a position in Baidu.

Factors affecting performance during July

Emerging Markets (EM) were up in sterling terms, due to a weakened currency as Brexit looms, but down in US dollar terms, due in part to the lack of progress made in trade talks and the US Federal Reserve cutting rates for the first time since 2008.

Stocks in Asia Pacific ex Japan posted gains in the month. Chinese markets were buoyed by the restart in trade negotiations with the US and on-target second-quarter GDP growth.

South Korea performed poorly, with trade restrictions announced by Japan, disappointing corporate results and slowing global trade all weighing on the Kospi Index.

Within Latin America, Brazilian stocks fared relatively well, with the Bovespa Index reaching all-time highs after the pension reforms bill survived its first vote in the lower house of Congress. However, Mexican bourses were down, with the market affected by the unexpected resignation of Finance Minister Carlos Urzua, whose opinions over economic issues differed greatly to President Obrador.

Indian stocks were down sharply, due to lacklustre domestic earnings results and concerns over the GDP growth trajectory.

In emerging Europe, Russian equities continued to rise. Turkish stocks also gained strongly, with a domestic rate cut and the expected Fed cut at month-end helping sentiment.

The Fund outperformed the index during the month. On a sector basis, healthcare and communication services were the largest positive drivers of relative performance, while utilities and consumer discretionary were the largest detractors.

At a stock level, the top contributors were New Oriental Education & Tech Group and Fleury. The bottom contributors were Godrej Consumer Products and Kajaria Ceramics.

Current market influences and outlook

Relatively higher levels of income growth in many parts of EM, and related 'catch up' in terms of product penetration and industry consolidation, will provide relatively attractive growth opportunities for long-term EM investors exposed to the right themes and companies. The need to combat structurally deflationary forces in developed markets will be a persistent phenomenon, which, in turn, should justify a healthy valuation premium for resilient growth companies.

In the nearer term, EM equities will likely continue to be highly influenced by trade relations between the US and China, the monetary policy outlook for the Fed, moves in the price of oil and other important commodities, and economic growth dynamics in China.

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
TENCENT HOLDINGS LTD	7.15%
ALIBABA GROUP HOLDING LTD	6.71%
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	6.47%
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP INC	4.32%
UNILEVER N.V.	3.88%
GODREJ CONSUMER PRODUCTS LTD	3.09%
FOSHAN HAITIAN FLAVOURING & FOOD CO LTD	2.84%
MARICO LTD	2.71%
AMBEV SA	2.57%
PING AN INSURANCE GROUP CO OF CHINA LTD	2.40%
Total*	42.15%
Total number of holdings	48

* 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 Emerging Markets Fund Z GBP

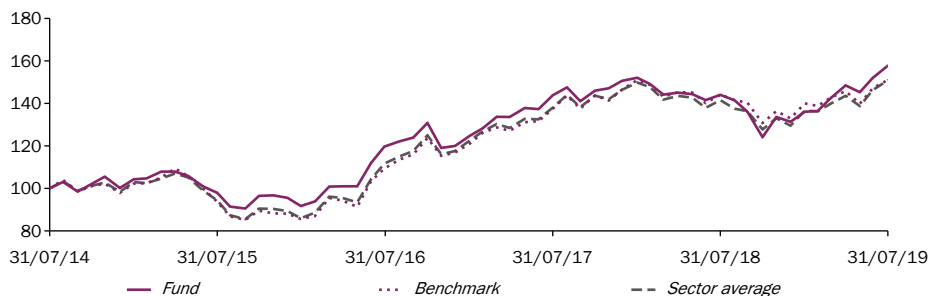
Discrete performance over 12 month periods to latest quarter end (%)

	30/06/14	30/06/15	30/06/16	30/06/17	30/06/18
	- 30/06/15	- 30/06/16	- 30/06/17	- 30/06/18	- 30/06/19
AXA Framlington Emerging Markets Fund Z GBP	3.4	10.9	22.7	3.1	7.4
Benchmark**	3.2	3.5	27.4	6.5	5.0

Cumulative performance

	Fund (%)	Benchmark** (%)	Sector median*** (%)	Ranking	Quartile
6 M.	15.9	7.9	10.8	6/107	1
Year to date	20.1	13.6	16.4	19/107	1
1 Y.	9.5	4.8	6.8	25/106	1
3 Y.	31.8	38.2	36.2	64/98	3
5 Y.	57.8	51.1	51.3	29/89	2

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 MSCI Emerging Markets Total Return Net. Prior to 01/01/2013 the benchmark of the fund was MSCI Emerging Markets 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 Global Emerging Markets.

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).

Geographical Allocation

	%
China	27.89
India	22.22
Brazil	9.61
Taiwan	6.47
Indonesia	5.66
Mexico	5.20
South Africa	4.73
United Kingdom	3.88
Other	14.32

Sector Allocation

	%
Financials	26.95
Consumer Staples	23.90
Consumer Discretionary	17.82
Communication Services	10.57
Information Technology	6.47
Health Care	3.91
Real estate	3.55
Cash	2.71
Industrials	2.37
Materials	1.76

Sources: AXA Investment Managers UK Limited and Morningstar. Unless otherwise stated all data shown is at 31/07/2019.

Fund facts

Fund type	Unit Trust
Fund size	£78.1m
Underlying Yield*	0.79%
Launch date	23/12/92
IA Sector	Global Emerging Markets
Currencies available	GBP
Dealing day	09:00 to 17:30 business hours
Valuation point	12:00 London time

* As at 31/07/2019. *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	0.89%
Min initial investment	£100,000
Min subsequent investment	£5,000
ISA status	Eligible

Fund codes

ISIN	accumulation	GB00B4490M25
	income	GB00B403RF05
MEX	accumulation	FREMA
	income	FREM
Bloomberg	accumulation	FRAEMMA LN
	income	FRAEMMI LN

Income payments

Accounting Final Ref Dates	30 May
Interim	30 Nov
Distributions Final	31 Jan
Calendar year	Net income (p)
2016	0.91
2017	0.85
2018	1.13