

AXA Framlington Health Fund Z GBP



DANI SAURYMPER

Portfolio Manager

Joined April 2015

Dani Saurympers joined AXA IM in April 2015 as Portfolio Manager for the AXA Framlington Health funds.

Dani has 14 years' experience. Prior to joining AXA IM in April 2015 as Portfolio Manager, he was a senior equity research analyst covering European Healthcare at Barclays Capital. Dani started his career at Goldman Sachs as a senior pharmaceutical analyst covering European Pharmaceuticals, before moving to Nomura as a sector specialist covering global healthcare.

Dani graduated from Leeds University with a BSc in Management Studies and Pharmacology and holds an MSc in International Business from the Manchester School of Management, UMIST.

Objective

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

Fund manager's commentary

Main changes to the portfolio during August

We reduced our exposure to several of our life science tools and biopharma holdings. We used the proceeds to add to our holdings in DexCom, Amicus, Teladoc and Wright Medical. We initiated a new position in AstraZeneca.

Factors affecting performance during August

The MSCI World Healthcare Index rose 0.5% during the month compared with a decline of 1.9% in broader equity markets. The Fund underperformed its benchmark driven by our overweight position in Wright Medical, which reported disappointing quarterly earnings. However, we believe the issues identified in the quarter are transient and do not materially change the long-term outlook for the company. GlycoMimetics reported adverse trial results for one of its phase three drugs which detracted from performance. Offsetting some of these disappointments were diabetes-focused medical device companies Insulet and DexCom, along with TherapeuticsMD which recovered strongly post its Q2 results. Equally, our underweight exposure to Pfizer, Novartis and J&J also helped drive relative outperformance during the period.

Current market influences and outlook

August saw a continuation of the equity market volatility experienced in July. The trade war between China and the US, protests in Hong Kong, and Brexit are but three of the issues that are at the forefront of investors' minds. The winners and losers from this complex morass of events are unclear. We continue to focus on long-term company fundamentals rather than factors influencing short-term sentiment.

US biotech companies continue to have divergent fortunes. Several large-caps are struggling as legacy franchises mature but without the new drugs in their pipelines that are capable of sustaining revenue growth. In contrast, we continue to favour the small and mid-cap biotech companies which are driven by innovation. As we have previously written, the presidential election in 2020 could induce greater short-term volatility across various healthcare sub-sectors. Managed care and the hospital sector have both been caught in the crosshairs and we expect the biotech and pharma sectors to experience volatility in the coming months with additional drug pricing proposals due to be unveiled.

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
MERCK & CO INC	7.19%
MEDTRONIC PLC	5.03%
GLAXOSMITHKLINE PLC	4.58%
THERMO FISHER SCIENTIFIC INC	4.58%
ANTHEM INC	3.76%
ALLERGAN PLC	3.52%
UNITEDHEALTH GROUP INC	3.46%
BECTON DICKINSON AND CO	3.02%
TAKEDA PHARMACEUTICAL CO LTD	2.90%
ALEXION PHARMACEUTICALS INC	2.83%
Total*	40.86%
Total number of holdings	57
Turnover (1 rolling year)	26.45

* 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.

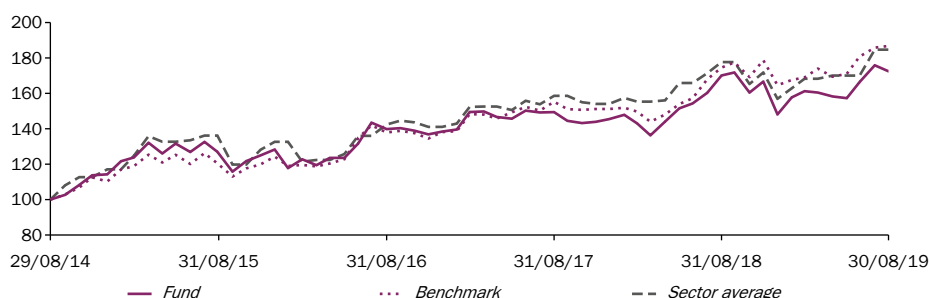
Turnover : (abs(purchase) + abs(sale) - abs(subscription - redemption)) / (2* average AUM)

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

	30/06/14 - 30/06/15	30/06/15 - 30/06/16	30/06/16 - 30/06/17	30/06/17 - 30/06/18	30/06/18 - 30/06/19
AXA Framlington Health Fund Z GBP	34.6	3.8	14.1	2.7	7.8
Benchmark**	27.4	12.2	13.0	3.2	15.0

Cumulative performance

	Fund (%)	Benchmark** (%)	Sector median*** (%)	Ranking	Quartile
6 M.	7.0	10.5	8.8	178/270	3
Year to date	16.4	13.5	15.0	112/266	2
1 Y.	1.4	7.0	3.1	155/253	3
3 Y.	23.4	35.5	26.9	127/214	3
5 Y.	72.5	86.8	71.6	68/148	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 World Healthcare Total Return Net. Prior to 01/01/2013 the benchmark of the fund was MSCI World Healthcare 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 Lipper Global Equity Sector Pharma & Health.

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.

Geographical Allocation

	%
North America	74.73
Europe Ex UK	11.23
UK	8.81
Japan	4.51
Cash	0.73

Sector Allocation

	%
Pharmaceuticals	39.07
Health Care Equipment	25.85
Biotechnology	8.54
Life Sciences Tools & Services	8.41
Managed Health Care	7.22
Health Care Services	5.67
Health Care Technology	4.45
Cash	0.73
Health Care Supplies	0.07

Sources: AXA Investment Managers UK Limited and Morningstar. Unless otherwise stated all data shown is at 30/08/2019.

Fund facts

Fund type	Unit Trust
Fund size	£504.7m
Underlying Yield*	0.21%
Launch date	27/02/87
IA Sector	Healthcare
Currencies available	GBP
Dealing day	09:00 to 17:30 business hours
Valuation point	12:00 London time

* As at 30/08/2019. * Gross of tax, net of expenses.
All information in this factsheet relates to unit class Z only.

Investment information

Initial charge	Nil%
Ongoing charges	0.82%
Min initial investment	£100,000
Min subsequent investment	£5,000
Min monthly investment	£N/A
ISA status	N/A

Fund codes

Sedol	accumulation	B6WZJX0
	income	BRJZVQ7
ISIN	accumulation	GB00B6WZJX05
	income	GB00BRJZVQ71
MEX	accumulation	QGH
	income	QGH
Valoren	accumulation	385171
	income	385170
Bloomberg	accumulation	FRAHEAA LN
	income	FRAHEAI LN

Income payments

Accounting Final	31 Oct
Ref Dates	
Interim	30 Apr
Calendar year	Net income (p)
2016	0.41
2017	0.45
2018	0.29