

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 June

We took profits from multiple small- and mid-cap biotech holdings after a period of strong performance for the sector. We initiated a position in Bluebird Bio after recent share price performance and new equity issuance created an attractive entry point.

Factors affecting performance during June

In June, global equity markets capped off the strongest quarterly performance since 2009 despite the ongoing pandemic. While these events seem to be at odds with each other, considering that the US government can borrow for 10 years at a close to historic low, it is less surprising that stock prices have increased as investors search for better yields. Biotechnology stocks underperformed broader equity markets after a period of strong outperformance.

The Fund outperformed its comparative benchmark. Positive performance came from Ovid Therapeutics after the company provided a positive business update. In contrast, our overweight position in Alexion detracted from performance as the stock underperformed the broader biotech market. Biomarin contributed positively to performance after presenting data for its haemophilia gene therapy, ValRox, which showed a durable benefit to patients four years after a single injection. Exciting pipeline drugs like ValRox convince us that we are seeing a wave of biotech innovation that could dramatically improve the standard of care for a range of diseases.

Current market influences and outlook

COVID-19 and the global response to the health emergency are likely to negatively impact the global economy in the short term. Efforts to slow the spread of the virus, such as the closing of country borders and quarantines in affected areas will likely depress economic activity across multiple sectors. Biotech companies are applying new technologies to the challenge of this global pandemic with unprecedented results that highlight the strength of innovation in the industry. For example, in less than six months, Gilead has gained approval for its antiviral, remdesivir, to treat the infection and Moderna has announced a 'phase 3' trial of its vaccine to immunise against the infection. The pandemic has changed the spotlight on biopharma from one that focused negatively on high drug prices and access to medicine, particularly in the US, to one where the sector is seen as a partner and solution to COVID-19. This has changed investor appetite to buy the sector as the headwind has changed to a tailwind. The innovation in the sector is now a global investor focus.

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
REGENERON PHARMACEUTICALS INC	7.93%
AMGEN INC	6.95%
BIOGEN INC	5.47%
ALEXION PHARMACEUTICALS INC	4.75%
VERTEX PHARMACEUTICALS INC	4.65%
GILEAD SCIENCES INC	4.43%
SEATTLE GENETICS INC	4.01%
INCYTE CORP	3.58%
BIOMARIN PHARMACEUTICAL INC	3.44%
ILLUMINA INC	2.96%
Total*	48.16%
Total number of holdings	57
Turnover (1 rolling year)	37.35

* 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 Biotech Fund Z GBP

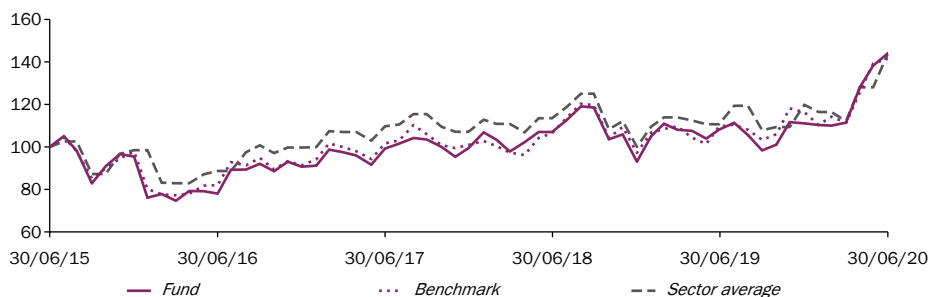
Discrete performance over 12 month periods to latest quarter end (%)

	30/06/15	30/06/16	30/06/17	30/06/18	30/06/19
	- 30/06/16	- 30/06/17	- 30/06/18	- 30/06/19	- 30/06/20
AXA Framlington Biotech Fund Z GBP	-22.0	27.2	7.8	1.1	33.2
Benchmark**	-18.0	24.0	4.7	3.0	29.1

Cumulative performance

	Fund (%)	Benchmark** (%)	Sector median*** (%)	Ranking	Quartile
6 M.	29.7	21.7	18.4	5/61	1
Year to date	29.7	21.7	18.4	5/61	1
1 Y.	33.2	29.1	25.0	8/60	1
3 Y.	45.2	39.2	31.8	9/51	1
5 Y.	44.1	41.5	38.9	16/44	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 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.

Fund facts

Fund type	Unit Trust
Fund size	£513.3m
Underlying Yield*	0.00%
Launch date	24/10/01
IA Sector	Biotechnology
Currencies available	GBP
Dealing day	09:00 to 17:30 business hours
Valuation point	12:00 London time

* As at 30/06/2020. *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 income	B784NS1 BRJZVL2
ISIN	accumulation income	GB00B784NS11 GB00BRJZVL27
MEX	accumulation income	FRBOTH ELABHN
Bloomberg	accumulation income	FRABIOZ LN FRABIZI LN

Income payments

Accounting Ref Dates	Final	31 Aug
	Interim	28 Feb

Geographical Allocation

	%
North America	84.48
Europe Ex UK	7.29
Emerging	2.66
UK	1.92

Sector Allocation

	%
BIOTECH PRODUCT	85.78
DEVICES	0.00
DRUG DELIVERY	0.00
ENABLING TECHNOLOGY / TOOLS	4.12
HEALTHCARE SERVICES	0.00
PHARMA	1.22
SPECIALTY PHARMA	5.18
Cash	3.70

Sources: AXA Investment Managers UK Limited and Morningstar. Unless otherwise stated all data shown is at 30/06/2020.