

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 August

We adjusted our positions in large-cap biotech stocks by reducing our position in Celgene. We also reduced our exposure to Beigene and increased our exposure to Biomarin after recent stock price volatility.

Factors affecting performance during August

The biotech sector fell in August along with broader global equity markets. Weakness continues to stem from a range of macroeconomic and geopolitical concerns and as we have seen in previous periods of volatility, small and mid-cap biotech stocks fell more than their large-cap peers.

The Fund underperformed its benchmark during the month due to our underweight position in large-cap biotech stocks such as Amgen and Celgene and our overweight in small and mid-cap stocks such as Agios Pharma and Arena Pharma. It has been our long-held belief that the large-cap biotech stocks are facing challenges to grow revenue beyond legacy products and many do not have the pipelines necessary to drive sustained growth. We see more long-term growth opportunities in the small and mid-cap biotech stocks, but during periods of short-term volatility these stocks typically experience greater declines in share price because they are perceived by some as higher risk than their large-cap peers.

Current market influences and outlook

August saw a continuation of the equity market volatility experienced in July. The continuing 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 some investors' minds. The winners and losers from this complex morass of events are unclear, and 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 that make up a significant percentage of the composite benchmark are struggling as legacy franchises mature but without the new drugs in their pipelines capable of sustaining revenue growth. In contrast, many of the small and mid-cap biotech companies continue to be driven by innovation. We continue to favour the latter for this reason.

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	8.52%
GILEAD SCIENCES INC	7.47%
ALEXION PHARMACEUTICALS INC	7.01%
BIOGEN INC	6.76%
BIOMARIN PHARMACEUTICAL INC	4.22%
VERTEX PHARMACEUTICALS INC	3.66%
CELGENE CORP	3.23%
ILLUMINA INC	3.10%
INCYTE CORP	2.88%
TAKEDA PHARMACEUTICAL CO LTD	2.81%
Total*	49.66%
Total number of holdings	47
Turnover (1 rolling year)	31.52

* 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

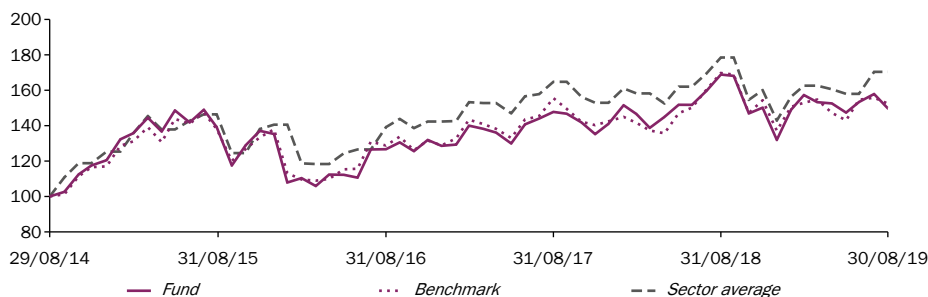
Discrete performance over 12 month periods to latest quarter end (%)

	30/06/14	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 Biotech Fund Z GBP	56.2	-22.0	27.2	7.8	1.1
Benchmark**	56.4	-18.0	24.0	4.7	3.0

Cumulative performance

	Fund (%)	Benchmark** (%)	Sector median*** (%)	Ranking	Quartile
6 M.	-4.8	-0.3	0.3	47/56	4
Year to date	13.5	11.1	13.6	30/55	3
1 Y.	-11.3	-10.2	-9.1	34/52	3
3 Y.	18.2	18.4	15.8	19/44	2
5 Y.	49.8	52.5	44.4	14/38	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	£398.5m
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 30/08/2019. *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	0.83%
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	83.11
Europe Ex UK	6.65
Japan	2.81
Emerging	2.71
UK	2.54
Cash	2.18

Sector Allocation

	%
BIOTECH PRODUCT	86.67
DEVICES	0.00
DRUG DELIVERY	0.00
ENABLING TECHNOLOGY / TOOLS	4.10
HEALTHCARE SERVICES	0.00
PHARMA	2.84
SPECIALTY PHARMA	4.56
Cash	1.82

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