

AXA Framlington UK Mid Cap Fund Z GBP

**CHRISTOPHER ST. JOHN****Fund Manager****Joined January 2005**

Chris joined AXA Investment Managers in 2005 as a portfolio manager on the UK small cap desk, responsible for the management of a number of pension funds focused on UK small and mid cap companies. In February 2008 he was appointed Portfolio Manager of the UK Smaller Companies Fund.

Previous to his appointment at AXA Investment Managers, Chris worked at ISIS (which later became Foreign & Colonial) where he progressed from equity analyst to lead fund manager on four institutional FTSE Small Cap funds. In 2003 he was promoted to lead fund manager of the UK Small Cap retail funds.

Chris began his career at PricewaterhouseCoopers in 1995 as part of the London Middle Market Business Advisory Service. After a short period in the Corporate and International Tax department, he moved to Corporate Finance.

Chris graduated from Durham University in 1995 with an honours degree in Philosophy and Psychology. He qualified as a Chartered Accountant in 1998.

Objective

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

Fund manager's commentary**Main changes to the portfolio during January**

We used share price volatility to add to core holdings and make reductions. We sold our holding in Wood Group.

Factors affecting performance during January

The Fund performed well from an absolute and relative perspective as equity markets rallied from an oversold position. An easing in rhetoric from the US Federal Reserve (Fed) suggested a significant reversal in monetary policy tightening, as a result of decelerating global economic growth. In addition, optimism of progress in the trade talks between the US and China, together with a perceived drop in the risk of a 'no-deal' Brexit both contributed to rising UK equity markets.

Over the month, the Fund outperformed the benchmark FTSE 250 (ex-Investment Companies) Index return of +7.61%, driven principally by stock selection.

From a stock perspective, On The Beach, Dunelm and Spirent contributed to relative performance. Hill and Smith, Sanne and BCA detracted from performance.

Current market influences and outlook

Investor sentiment remains cautious as global leading economic indicators suggest slowing momentum. Monetary policy, particularly in the US, appears alive to this fact and the hawkish (monetary policy that promotes rising interest rates) position of the Fed has been reversed, offering support to asset prices. Geopolitical risks remain and the outcome of the US-China trade talks, the risk of another US government shutdown, European elections and Brexit will contribute to affect sentiment and capital flows.

UK equities are unloved, under-owned, and attractively valued, despite offering market leading international and domestic UK-focused companies. However, earnings risk remains and, in many instances, valuations are reflective of a dramatic and prolonged economic slowdown. Active stock-pickers thrive on price dislocation and more investment opportunities are presenting themselves as a result.

We are focused on UK and internationally-exposed businesses, where the fundamental profit drivers remain entrenched and equity holders benefit from the capital allocated and risks taken by management. We continue to believe that a rewarding strategy is to actively invest in UK-listed companies that are compounding their earnings and dividends, where corporate governance is world leading, where contract law and title law are dependable, and where company management teams are permanently accessible.

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

HOMESERVE PLC	2.50%
DECHRA PHARMACEUTICALS PLC	2.26%
RPC GROUP PLC	2.24%
AUTO TRADER GROUP PLC	2.14%
SAFESTORE HOLDINGS PLC	2.13%
ON THE BEACH GROUP PLC	2.11%
COATS GROUP PLC	2.09%
WEIR GROUP PLC	2.02%
BTG PLC	2.02%
MARSHALLS PLC	1.98%
Total*	21.49%
Total number of holdings	66
Turnover (1 rolling year)	22.01

* 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 UK Mid Cap Fund Z GBP

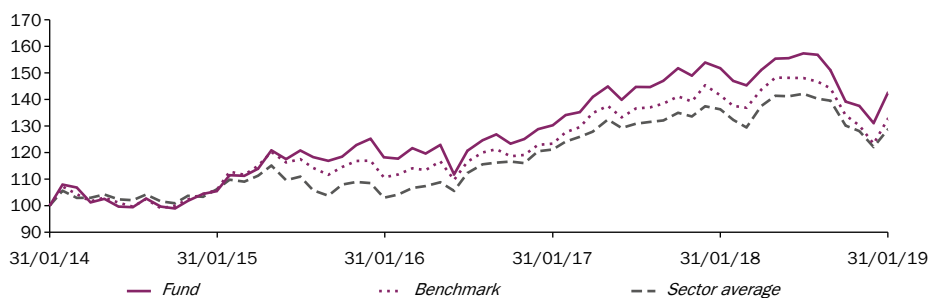
Discrete performance over 12 month periods to latest quarter end (%)

	31/12/13	31/12/14	31/12/15	31/12/16	31/12/17
	- 31/12/14	- 31/12/15	- 31/12/16	- 31/12/17	- 31/12/18
AXA Framlington UK Mid Cap Fund Z GBP	3.9	19.9	2.9	19.5	-14.8
Benchmark**	2.8	12.0	5.1	18.2	-15.2

Cumulative performance

	Fund (%)	Benchmark** (%)	Sector median*** (%)	Ranking	Quartile
6 M.	-9.4	-10.4	-8.8	155/264	3
Year to date	8.7	7.6	5.1	9/266	1
1 Y.	-6.1	-6.3	-5.1	164/262	3
3 Y.	20.5	19.9	25.5	176/248	3
5 Y.	42.5	32.7	28.6	32/235	1

Cumulative performance over five years



Source: AXA Investment Managers and Morningstar. Figures are quoted on single price basis, net of [R] 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 FTSE All-Share. 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 UK All Companies.

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.

Market Cap Allocation

	%
FTSE 100	11.30
FTSE 250	74.71
FTSE SmallCap	3.33
FTSE AIM	4.88
Other & AIM Exchange	2.03
Cash	3.76

Sector Allocation

	%
Industrials	37.19
Financials	19.73
Consumer Services	17.85
Health Care	6.86
Consumer Goods	4.84
Technology	4.62
Cash	3.76
Oil & Gas	2.70
Basic Materials	2.46

Fund facts

Fund type	Unit Trust
Fund size	£286.2m
Underlying Yield*	1.50%
Launch date	04/03/11
IA Sector	UK All Companies
Currencies available	GBP
Dealing day	09:00 to 17:30 business hours
Valuation point	12:00 London time

* 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	0.84%
Min initial investment	£100,000
Min subsequent investment	£5,000
Min monthly investment	£50
ISA status	Yes

Fund codes

Sedol	accumulation	B64W4Q7
	income	B3SYV56
ISIN	accumulation	GB00B64W4Q70
	income	GB00B3SYV567
MEX	accumulation	FRAABM
	income	FRAABN

Income payments

Accounting Final	30 Sept
Ref Dates	
Distributions Final	30 Nov
Interim	31 May
Calendar year	Net income (p)
2015	3.39
2016	3.22
2017	2.80
2018	3.33

Sources: AXA Investment Managers UK Limited and Morningstar. Unless otherwise stated all data shown is at 31/01/2019.