

**SHINING A LIGHT ON THE.....
AXA Framlington UK Mid Cap Fund**

AT A GLANCE

Investment Objective
The aim of this Fund is to provide long-term capital growth. The Fund has at least 70% of its investments in shares of companies domiciled, incorporated or having significant business in the UK which the Manager believes will provide above-average returns. The Fund invests primarily in medium-sized companies. The Manager selects shares based upon analysis of a company's financial status, quality of its management, expected profitability and prospects for growth.

Inception Date	4 March 2011
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000MKL8

Management	
Manager Name	Start Date
Chris St John	4 March 2011

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	0.00%
Large	1.64%
Medium	29.81%
Small	62.49%
Micro	6.06%

Top 10 Holdings		
Total number of holdings	66	
Assets in Top 10 Holdings	22.39%	
Name	Sector	% of Assets
Bellway PLC	Consumer Cyclical	2.61%
Grainger PLC	Real Estate	2.49%
Dunelm Group PLC	Consumer Cyclical	2.26%
Homeserve PLC	Industrials	2.22%
Breedon Group PLC	Basic Materials	2.21%
Safestore Holdings PLC	Real Estate	2.18%
Polypipe Group PLC	Industrials	2.17%
Marshalls PLC	Basic Materials	2.12%
Spirent Communications PLC	Technology	2.06%
QinetiQ Group PLC	Industrials	2.05%

Volatility Measurements	
3-Yr Std Dev (volatility)	3-Yr Mean Return
17.23%	-1.70%

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FUND PERFORMANCE

Performance 19 January 2012 to 31 March 2020:

	2014	2015	2016	2017	2018	2019	2020
AXA Framlington UK Mid Cap Fund	4.08%	20.19%	2.92%	19.43%	-14.80%	36.27%	-28.12%
Vanguard FTSE UK All Share Index	1.41%	1.28%	16.58%	13.00%	-9.65%	19.04%	-24.81%

Performance over 1 year, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since launch
AXA Framlington UK Mid Cap Fund	-12.56%	-5.01%	15.73%	121.64%
Vanguard FTSE UK All Share Index	-18.56%	-12.13%	3.11%	40.02%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

This update has been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.

This was a brief update with the management team and one we would like to follow up on in the future to understand more about the process.

The message was that there has been no change to the investment process. The focus remains on those companies with balance sheet strength and the ability to compound earnings over time.

It is worth reflecting that certain areas of the market will be hit hardest, for example the consumer side (travel etc), and that this is currently a liquidity crisis. The danger is if this becomes a solvency crisis.

In terms of the companies they hold, some have started to lay off staff, others have used the furlough system which has worked well, and they are expecting financial assistance to come through from the treasury.

Others have approached the debt market, and they have seen 32 fund raisers coming to the UK market. After company's secure capital they have also seen share prices rise on average by 21%. Many are doing this to provide solvency and therefore enables them to look through this period. The risk is where the length and depth extend further than many expect.

They have supported debt raising from companies they own within the fund and this includes Auto Trader and SSP. SSP have been directly impacted because they are in the eye of the storm due to its connection with the travel sector.

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Other things they are seeing is that companies are cutting dividends to preserve capital. The feeling is that if you take the subsidies you are taking financial help and you cannot pay the dividends.

In summary, this was a very brief overview and we would like to do a more detailed analysis once the dust has settled, and perhaps a certain level of knowledge comes into the market.

The source of information in this note has been provided by AXA Framlington and is correct as at April 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.