

**SHINING A LIGHT ON THE.....  
AXA Framlington UK Smaller Companies 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 small companies. The Manager selects shares based upon analysis of a company's financial status, quality of its management, expected profitability and prospects for growth.

<b>Inception Date</b>	27 April 2001
<b>Fund Factsheet Link</b>	<a href="https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=FOGBR04K6N">https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=FOGBR04K6N</a>

Management	
Manager Name	Start Date
Dan Harlow	23 June 2016

**FUND PERFORMANCE**

Performance from 1<sup>st</sup> January 2016 to 28<sup>th</sup> February 2021:

	2016	2017	2018	2019	2020	2021
<b>AXA Framlington UK Smaller Companies Fund</b>	5.13%	30.53%	-14.15%	25.77%	7.65%	5.54%
<b>FTSE All Share</b>	16.75%	13.10%	-9.47%	19.17%	-9.82%	1.16%

Performance over 12 months, 3 years, 5 years and since fund manager inception:

	1 year	3 years	5 years	Since fund manager inception
<b>AXA Framlington UK Smaller Companies Fund</b>	27.14%	24.66%	78.47%	73.22%
<b>FTSE All Share</b>	3.50%	3.76%	33.02%	27.57%

*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.*

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
8.84	-	96.07	87.48	66.67	0.90	2.54	Small/Growth

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Volatility Measurements	
3-Yr Std Dev (volatility)	23.00%
3-Yr Mean Return (average)	7.62%

Investment Style Details	
Giant	0.00%
Large	0.00%
Medium	4.50%
Small	25.87%
Micro	68.53%

Top 5 Holdings – 68 Equity Holdings		
Aptitude Software Group PLC	Technology	2.96%
Gear4music (Holdings) PLC	Consumer Cyclical	2.90%
Volution Group PLC	Industrials	2.65%
discoverIE Group PLC	Technology	2.56%
Speedy Hire PLC	Industrials	2.43%

Top 5 Sectors	
Technology	19.64%
Consumer Cyclical	16.54%
Healthcare	16.07%
Communication Services	14.36%
Industrials	14.05%

## UPDATE....

We have followed this fund throughout 2020 and very little has changed during this time. The aim is to invest in strong businesses. The fund has around 55% exposure to domestic UK and therefore will benefit from any recovery. Dan believes there is light at the end of the tunnel. It is not just about the vaccine but also Brexit, and just the fact that the UK is out of favour.

Since December there have been 5 M&A deals, and this increase in the UK gives them confidence moving forward. Also, some of their holdings have been shrewd during this time, and Gym Group and Lounges have raised money. Since the crisis 15% of restaurants have closed in the UK; companies like Lounges can capitalise on this.

In terms of M&A they have been able to recycle some of the cash. They have participated in IPOs for Moonpig and Virgin Wine. Moonpig has a 65% market share of the online card market which is only about 11% of the overall market. They have a big opportunity to grow going forward and have started to expand into gifts, so effectively a one stop shop.

In summary, this was a brief update but there are other updates on our website. Not much has changed and this continues to deliver strongly for investors. This remains on our watchlist and compared against some of the top UK smaller company funds.

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*The source of information in this note has been provided by AXA and is correct as at March 2021. 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.*