

**SHINING A LIGHT ON THE.....
AXA Framlington Global Thematics Fund**

AT A GLANCE

Investment Objective
The aim of this Fund is to provide long-term capital growth. The Fund invests in shares of listed companies which are based anywhere in the world (including countries which the Manager considers to be emerging markets) and which the Manager believes will provide above-average returns. The Fund invests principally in large and 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 taking into account the company's exposure to long-term themes influencing the global economy.

Inception Date	29 th October 1976
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F0GBR04DG7

Management	
Manager Name	Start Date
Mark Hargreaves	-
Amanda O'Toole	-

FUND PERFORMANCE

Performance from 1st January 2016 – 28th February 2021

	2016	2017	2018	2019	2020	2021
AXA Framlington Global Thematics Fund	21.28%	14.81%	-4.62%	29.13%	27.60%	-3.39%
FTSE World ex UK	30.42%	13.45%	-2.68%	23.10%	14.15%	-0.69%

Performance over 12 months, 3 years, 5 years and 10 years:

	1 year	3 years	5 years	10 years
AXA Framlington Global Thematics Fund	26.54%	50.04%	119.52%	189.77%
FTSE World ex UK	20.01%	36.31%	102.99%	201.83%

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
5.26	-	105.78	120.98	52.78	1.05	-1.80	Growth/Large

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Volatility Measurements	
3-Yr Std Dev (volatility)	16.16%
3-Yr Mean Return (average)	14.48%

Investment Style Details	
Giant	36.43%
Large	35.23%
Medium	16.86%
Small	10.00%
Micro	0.00%

Top 5 Holdings – 62 Equity Holdings		
NextEra Energy Inc	Utilities	2.90%
ServiceNow Inc	Technology	2.70%
Alphabet Inc Class C	Communication Services	2.62%
Qualcomm Inc	Technology	2.58%
Taiwan Semiconductor Manufacturi...	Technology	2.51%

Top 5 Sectors	
Technology	33.74%
Healthcare	23.37%
Industrials	11.63%
Financial Services	8.34%
Consumer Cyclical	5.67%

Top 5 Regions	
United States	70.74%
United Kingdom	5.41%
China	3.77%
Japan	3.54%
India	2.93%

UPDATE....

The fund looks to invest across the evolving economy, looking at ageing and lifestyle, connected consumer, automation, clean tech, and transitioning societies. The strategy looks to invest across both emerging and developed markets. In terms of emerging market exposure, it can do this via developed market companies.

This update was a whistle stop view of the fund and we would want to do more of a deep dive to really get to understand the fund and how this evolved. Some of the themes they discussed which make up the fund included:

Emergence of middle-income group – this is primarily from India and China, but other economies are becoming part of this. The areas impacted include formal housing, basic healthcare and basic consumer discretionary

Automation – this is about industrial automation, such as content on vehicles, robotic surgery, better healthcare etc

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Clean tech – this is about building towards a more sustainable long-term economy

Each of the different themes are managed by different managers so effectively this becomes a fund of funds, overseen by the two co-managers taking the best ideas from across the team. It operates an exclusion policy so excludes tobacco and defence and adopts the UN Global Compact principles. What was not clear in the update is whether this is a green fund or one that touches on the edge of being green, and this would need to be looked at further.

In terms of the companies, they look for those which play into the themes, are likely to have strong competitive advantage and will take the opportunities afforded by these themes to gain market share. The fund did well in the last 12 months, and they do not believe valuations are stretched as these remain multi-year growth opportunities, and they invest in R&D. The strategy will underperform when there is a rotation to value.

In summary, for investors looking to invest in some of the emerging global themes this fund is certainly one to consider. We would want to know more about the development of the strategy, and whether this is a green fund which in turn would warrant further questions. Performance over 3 years is strong, but it is average over 5 to 10 years and this might reflect a repositioning of the strategy which we would want to understand more about.

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.