

**SHINING A LIGHT ON THE.....
AXA Framlington Biotech 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, principally in the biotechnology, genomic and medical research industry, which the Manager believes will provide above-average returns. The Fund invests in companies of any size which can be based anywhere in the world, albeit the Fund tends to be biased towards the US as this is where the majority of biotechnology companies are based. The Manager selects shares based upon analysis of a company's financial status, quality of its management, expected profitability and prospects for growth.

Fund Factsheet Link
https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000P77J

Management	
Manager Name	Start Date
Linden Thomson	5 July 2012
Peter Hughes	1 April 2018

FUND PERFORMANCE

Performance from 1st January 2016 to 31st January 2022:

	2016	2017	2018	2019	2020	2021	2022
AXA Framlington Biotech Fund	-5.92%	8.60%	-7.33%	18.11%	31.43%	2.38%	-13.92%
NASDAQ Biotechnology TR USD	-6.18%	11.10%	-3.20%	20.28%	22.52%	0.94%	-11.03%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since launch
AXA Framlington Biotech Fund	-13.44%	21.32%	37.06%	503.42%
NASDAQ Biotechnology TR USD	-15.09%	20.56%	38.09%	639.97%

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.

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Tracking Error	Information Ratio	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
9.37	0.02	50.18	95.24	89.26	52.78	0.92	1.88	Blend / Mid

Volatility Measurements	
3-Yr Std Dev (volatility)	19.76%
3-Yr Mean Return (average)	6.66%

Investment Style Details	
Giant	1.25%
Large	33.65%
Medium	30.59%
Small	19.41%
Micro	11.86%

Top 5 Holdings – 54 Equity Holdings		
Regeneron Pharmaceuticals Inc	Healthcare	8.18%
Gilead Sciences Inc	Healthcare	7.15%
Amgen Inc	Healthcare	5.19%
Biogen Inc	Healthcare	4.88%
Vertex Pharmaceuticals Inc	Healthcare	4.59%

Top 5 Regions	
United States	89.23%
Eurozone	3.20%
Asia - Emerging	2.68%
Europe ex Euro	2.14%
United Kingdom	1.72%

UPDATE....

The strategy has been in place for 21 years, with Linden as lead manager for 10 years. During this time the sector has evolved from almost nothing to a universe of 400 stocks, with a focus on the US. Gilead is an example of successful companies within the sector.

Over 70% of the portfolio assets are invested in companies that have developed or sell at least one approved drug, and there is a skew to small and mid-cap companies. The sector performed well in 2020 and then underperformed in 2021. This can be traced back to when Pfizer announced its COVID drug and there was a rotation away from the sector.

There are no changes to the fundamentals behind the sector and if anything, the fundamentals are stronger. However, the macro debate over inflation, interest rates, US politics and geopolitical concerns have meant the sector, and in particular small cap stocks, have been caught in the sell-off.

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During this period they are seeing opportunities as valuations are cheap. Some areas they are focusing on include China's emergence within biotech, and there are some opportunities they are looking into. Other areas include gene medicine and sequencing, targeted neuroscience and oncology.

In summary, for investors looking to invest in the growing biotech sector, this may be a strategy to consider. It is worth noting that it has really tracked the index and the question is whether investors get value for money from this fund. This is one we follow closely as it can go through periods of underperformance.

The source of information in this note has been provided by AXA and is correct as of January 2022. 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.