

**SHINING A LIGHT ON THE.....
AXA Framlington UK Select Opportunities Fund**

AT A GLANCE

Investment Objective	
The fund seeks to achieve capital growth by investing in companies, primarily of UK origin, where the Manager believes above average returns can be realised.	

Inception Date	30 th November 1984
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=f0gbr04s5a

Management	
Manager Name	Start Date
Nigel Thomas	9 th September 2002

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	23.10%
Large	13.85%
Medium	28.19%
Small	27.41%
Micro	7.45%

Top 10 Holdings		
Total number of holdings	58	
Assets in Top 10 Holdings	34.83	
Name	Sector	% of Assets
Royal Dutch Shell	Energy	5.03%
Ashtead Group	Industrials	3.71%
BBA Aviation	Industrials	3.64%
Rotork	Industrials	3.60%
Rentokil Initial	Industrials	3.42%
London Stock Exchange	Financial Services	3.30%
HSBC	Financial Services	3.11%
Prudential	Financial Services	3.08%
IMI	Industrials	2.98%
Elementis	Basic Materials	2.96%

Volatility Measurements	
3-Yr Std Dev (volatility)	10.30%
3-Yr Mean Return (average)	6.78%

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FUND PERFORMANCE

Performance from 1st January 2013 to 31st August 2018:

	2013	2014	2015	2016	2017	2018
AXA Framlington UK Select Opportunities Fund	29.76%	0.68%	9.32%	4.03%	10.44%	1.49%
Lyxor FTSE All Share ETF	20.16%	0.93%	1.08%	15.44%	11.64%	2.24%

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

	1 year	3 years	5 years	10 years
AXA Framlington UK Select Opportunities Fund	7.16%	22.83%	39.91%	140.16%
Lyxor FTSE All Share ETF	5.29%	34.28%	43.08%	99.52%

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 is a well-established fund managed by Nigel Thomas since 2002; Nigel is retiring at the end of the year although the succession plan has been in place for the last 4 years. Chris St John already manages funds with AXA and has worked alongside Nigel for the last 13 years.

They are currently sharing buy and sell ideas and there shouldn't be a big change in the fund although over the next few years we will see more of Chris' ideas coming into the fund. Effectively the changes will be small and more evolutionary over time. The style of focusing on quality growth companies and bottom up stock picking will not change.

Chris picks up a fund which has struggled in terms of performance and Nigel explained that the fund has struggled post the Brexit vote and this has damaged the performance. The fund is underweight overseas earners so hasn't benefited from a weak currency and some of the UK companies haven't performed as well but they still believe in the long-term story.

In terms of companies they like to have a mix; for example, Eddie Stobart is one company which is a beneficiary of Amazon's growth and Amazon are one of their largest customers. Another company takes returns from John Lewis and cleans and repackages them before they are sent out again. The WorldPay Group enables ecommerce across borders and one of Next's largest customer base is Russia and they use this system. This mix of ideas is all about the core philosophy of focusing on quality growth companies.

In conclusion, the fund in the past was a flagship UK fund but has lost its way and has struggled to be anything but average in recent years. There is also nothing that makes this stand out. The concern with the new management structure is how Chris makes this fund different to other funds he manages and will it eventually just merge into one of the existing funds.

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The source of information in this note has been provided by AXA and is correct as at September 2018. 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.