

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

AT A GLANCE

Investment Objective	
The fund seeks capital growth through worldwide investment in equities. Investment is in companies which, in the Manager's opinion, show above average profitability, management quality and growth.	

Inception Date	29 th October 1976
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=FOGBR04DG7

Management	
Manager Name	Start Date
Mark Hargreaves	31 st August 2013
Amanda O'Toole	1 st March 2018

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	51.60%
Large	24.59%
Medium	20.96%
Small	2.85%
Micro	0.00%

Top 10 Holdings		
Total number of holdings	57	
Assets in Top 10 Holdings	27%	
Name	Sector	% of Assets
Taiwan Semiconductor Manufacturing Co	Technology	3.44%
Visa Inc Class A	Financial Services	2.97%
Microsoft Corp	Technology	2.86%
Amazon.com Inc	Consumer Cyclical	2.81%
Facebook Inc A	Technology	2.73%
AIA Group Ltd	Financial Services	2.61%
Alphabet Inc Class C	Technology	2.59%
Adobe Systems Inc	Technology	2.47%
Thermo Fisher Scientific Inc	Healthcare	2.29%
DexCom Inc	Healthcare	2.22%

Volatility Measurements	
3-Yr Std Dev (volatility)	10.28%
3-Yr Mean Return (average)	20.00%

FUND PERFORMANCE

Performance from 1st January 2013 to 30th September 2018:

	2013	2014	2015	2016	2017	2018
AXA Framlington Global Thematics Fund	25.18%	13.43%	1.86%	21.28%	14.81%	10.99%
iShares MSCI World ETF	30.32%	10.75%	1.17%	8.13%	17.26%	5.24%

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

	1 year	3 years	5 years	Since launch
Schroder Global Equity Income Fund	15.88%	70.12%	88.20%	9,568.63%
iShares MSCI World ETF	11.19%	42.50%	61.70%	-

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....

Although the strategy is new, the fund has been in place since 1976. The fund has been restructured to align with global themes. These themes centre around structural shifts with demographic changes (new middle-income group and aging population) and the pace of technological change being at the centre.

The aim is to avoid those businesses which are not keeping up with the pace of change so for example old-world high-street retail and manufacturing. The five specific areas of investment are ageing and lifestyle, connected consumer, automation, cleantech and transitioning societies.

There is an investable universe of 2,500 stocks and the managers will focus on growing and profitable companies rather than blue sky companies.

In terms of transitioning societies, we are seeing more people move up the scale in terms of income and therefore discretionary spending. This leads to better education and financial inclusion. In terms of financial inclusion, people start to save and this has long term potential. Areas of interest for the fund are Vietnam and Indonesia.

In China they have invested in a company which provides educational services. Where this is different from other companies is that they only open education facilities where there are enough people to provide the service. If this can't be done, then they offer online facilities, keeping costs low.

In terms of aging and lifestyle this is about investing in healthcare but also looking at how over-60s spend their money. For the connected consumer this is about tapping into the shift in online retail and ecommerce. Companies like Visa act as the rail roads to much of the transactions that take place and these are the types of businesses they like.

CleanTech is looking at changes to the environment. For example, in Beijing there is a massive shift to clean energy in terms of power and electricity but also electric vehicles. This is about tapping into companies which, for example, monitor water, air etc. But also companies like Apple now monitor where every component of their phones come from and where they go when the phone is recycled.

The fund will hold between 40 and 60 stocks and currently has 58 holdings. It is weighted more to the US although in terms of sales it is about 35% US, Emerging Markets 25% and Europe 15%.

In summary, the argument for the fund is very strong. However, some of these themes may already be included in global funds and therefore potential investors have to take care they are not crossing over in terms of holdings. In terms of performance at this stage it is difficult to judge until the new portfolio has had a period to bed in.

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