

AXA Distribution Fund B (N) GBP



Jamie FORBES-WILSON
Joined 2003

Jamie joined AXA Investment Managers in 2003 as an investment manager responsible for charity, pension and private client portfolios. He began his career in 1996 as a graduate trainee with Wise Speke, a regional private client stockbroking firm. The company subsequently became part of Brewin Dolphin, where he worked as a private client portfolio manager.

Jamie graduated from Exeter University in 1996 with a BA (Hons) degree in Economic History and Politics. He is a Chartered Fellow of the Chartered Institute for Securities and Investment (FCSI).



Matthew HUDDART
Joined 2000

Matthew joined the UK Equities team in 2000 as a research assistant, he became an analyst in 2003. As an analyst he specialised in insurance, general financials and real estate. He began managing portfolios in 2014.

Matthew is a CFA charterholder, he earned the right to use the Chartered Financial Analyst designation in 2005. He holds a BSc (Hons) in Mathematics.

Fund manager's commentary

Main changes to the portfolio during August

We took some profits from the longer-dated index-linked holdings following a sharp rally.

Factors affecting performance during August

The FTSE All-Share Index was weak during August, reversing the previous two months' direction of travel. The index fell 3.57% in August led by the FTSE 100 Index, which declined 4.08%, and the FTSE SmallCap (ex-Investment Companies) Index (2.15%). The FTSE 250 (ex-Investment Companies) Index was a relative outperformer, only losing 1.08% during the period. Year-to-date returns for the FTSE All-Share Index remain a healthy 11.1%.

August proved to be volatile for markets globally. Despite the dovish (monetary policy that promotes lower interest rates) central bank rhetoric that has bolstered market confidence in recent months, concerns about the escalation of the trade war between the US and China shook investor confidence. Further tariff increases by the US were met with retaliatory measures by China prompting further fears about global economic growth. In sympathy, oil and commodity prices were weak, weighing on the UK market's significant exposure to those sectors. Financials were also notably weak as the outlook for falling rates gathered traction.

In the UK, Boris Johnson said he intends to deliver Brexit but whether or not he is able to do that by 31 October remains unclear as parliament is equally resolute on preventing a no-deal outcome. Sterling was weak as investors worried that the prospect for a hard Brexit increased.

In corporate news; Tullow Oil announced a significant oil discovery off the coast of Guyana; Entertainment One attracted a bid of £3.3 billion from US toy manufacturer Hasbro; there were profit warnings from Micro Focus, On The Beach and Shoe Zone; Eddie Stobart Logistics shares were suspended following a delay in the release of their results.

The UK's Consumer Price Index inflation rate increased to 2.1% and the Retail Price Index measure of inflation dipped to 2.8%.

Current market influences and outlook

The central asset mix of the Fund is 55% UK equities, 35% index-linked gilts, 7% conventional gilts and 3% cash.

Within the equity portfolio, our approach remains to look for opportunities to buy into strong companies at attractive valuations, particularly in situations where we perceive short-term market sentiment to be overly pessimistic.

Past performance is not a guide to future performance. The value of investments and the income from them can fall as well as rise and you may not get back the full amount originally invested. **Before investing you should read the fund's Key Investor Information Document (KIID) for full product details including investment risks and contact a financial adviser where unsure.**

Top ten holdings

	%
UK GILT INFLATION LINKED 2.5% 04/16/2020	10.0
GLAXOSMITHKLINE PLC	3.9
UK GILT INFLATION LINKED 0.125% 03/22/2024	3.6
BP PLC	3.2
ROYAL DUTCH SHELL PLC	3.1
UK GILT INFLATION LINKED 0.125% 11/22/2019	2.6
RIO TINTO PLC	2.2
UK GILT INFLATION LINKED 2.5% 07/17/2024	2.2
PRUDENTIAL PLC	2.0
UK GILT INFLATION LINKED 1.875% 11/22/2022	2.0
Total*	34.9
Total number of holdings	114

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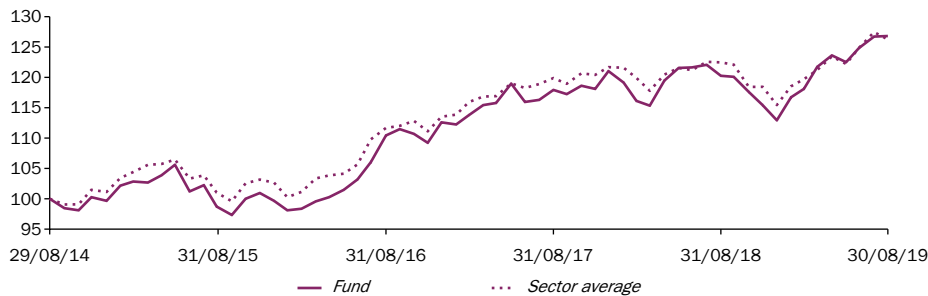
Discrete performance over 12 month periods to latest quarter end (%)

	30/06/14	30/06/15	30/06/16	30/06/17	30/06/18
	- 30/06/15	- 30/06/16	- 30/06/17	- 30/06/18	- 30/06/19
AXA Distribution Fund B (N) GBP	3.3	2.0	12.4	4.9	2.6

Cumulative performance

	Fund (%)	Sector median (%)	Ranking	Quartile
6 M.	7.4	5.4	38/152	1
Year to date	12.3	9.5	22/150	1
1 Y.	5.4	2.6	40/150	2
3 Y.	14.8	13.4	68/140	2
5 Y.	26.8	27.3	69/123	3

Cumulative performance over five years



Asset Class Allocation

Asset Class	%
Sterling Equities	55.23
Sterling Index-Linked	38.13
Cash	2.69
Sterling Government Bonds	2.03
Overseas Equities	1.93

Ratings allocation of bond portfolio

Ratings	%
AA	100.00

Sources: AXA Investment Managers UK Limited and Morningstar. Unless otherwise stated all data shown is at 30/08/2019.

Fund facts

Fund type	OEIC
Fund size	£746.7m
Underlying Yield*	2.81%
Launch date	16/05/08
IA Sector	Mixed Investment 20-60% Shares
Currencies available	GBP
Dealing day	09:00 to 17:30 business hours
Valuation point	12:00 London time

* The Underlying yield reflects the annualised income net of expenses of the fund as a percentage of the mid-market unit price of the fund as at the date shown. It is based on a snapshot of the portfolio on that day. It does not include any initial charge and investors may be subject to tax on distributions.

Investment information

Initial charge	NIL%
Ongoing charges	0.42%
Min initial investment	£1,000,000
Min subsequent investment	£5,000
Min monthly investment	£N/A
ISA status	Eligible

Fund codes

Sedol	accumulation	B7Y6574
	income	B8KDT96
ISIN	accumulation	GB00B7Y65748
	income	GB00B8KDT967
MEX	accumulation	ELGDZX

Income payments

Accounting Ref Dates	Final	31 May
	Interim	31 Aug, 30 Nov, 28 Feb
Distributions	Final	31 Jul
	Interim	31 Oct, 31 Jan, 30 Apr
Calendar year	Net income (p)	
2014	2.94	
2015	2.74	
2016	3.37	
2017	2.78	
2018	3.06	