

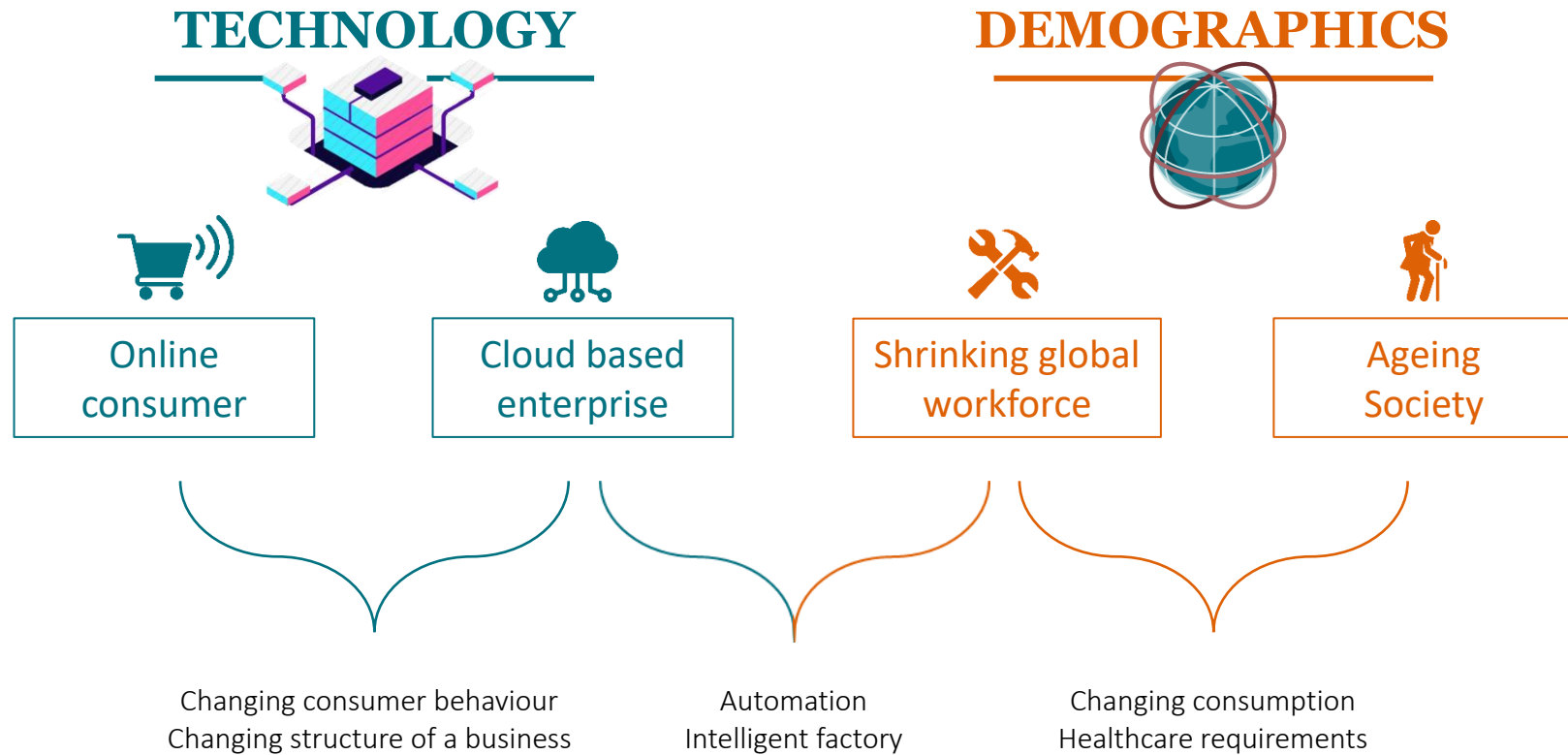
# **Evolving Trends Strategy**

## **Clarity in an uncertain world**

**Mark Hargraves** - Portfolio Manager & Global Head of AXA IM Equities

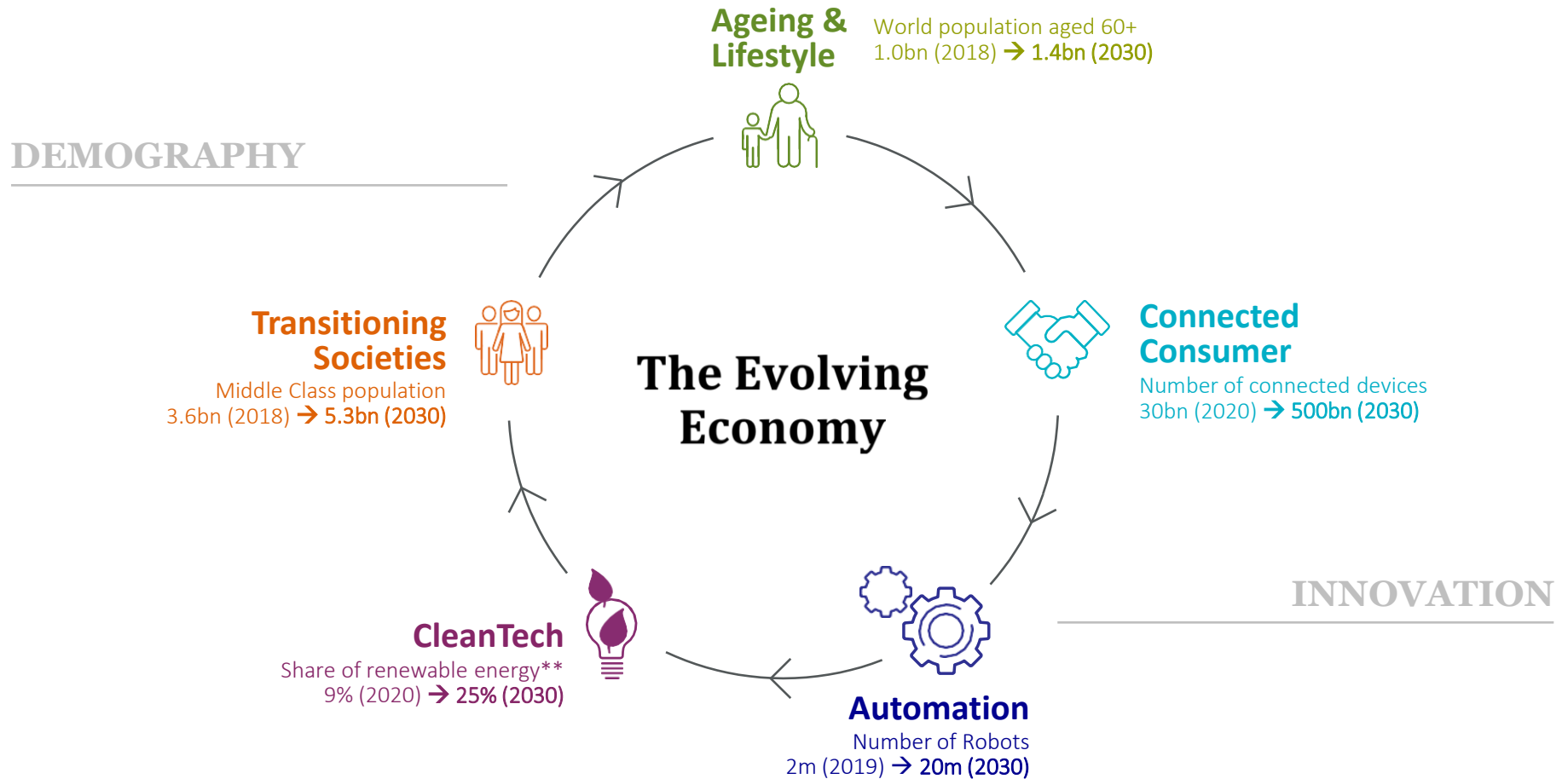
March 2022

# The Evolving World



Source: AXA IM for illustrative purpose only.

# Evolving Economy investment themes at Framlington Equities



Source: AXA IM, BofAML "Transforming World: The 2020s", November 2019. BofAML Global Research, UN, Internet World Stats, Cybersecurity Ventures, Cisco, ITU 2015, Kharas, Brookings Institution, Oxford Economics, BNEF 2019 \*EB: Exabyte. An exabyte is a unit of digital information storage used to denote the size of data. It is equivalent to 1 billion gigabytes (GB). \*\*Renewable energy: variable renewables.

# Stock example by themes



**Ageing & Lifestyle**



**Connected Consumer**



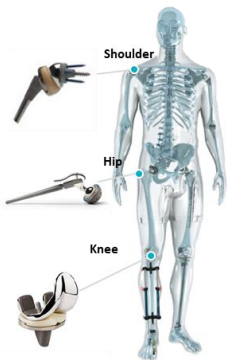
**Automation**



**CleanTech**



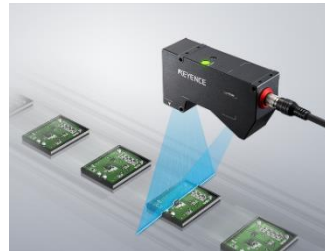
**Transitioning Societies**



**Musculoskeletal solutions**



**Software-as-a-service (SaaS) platform**



**Vision systems**



**Grid operator**

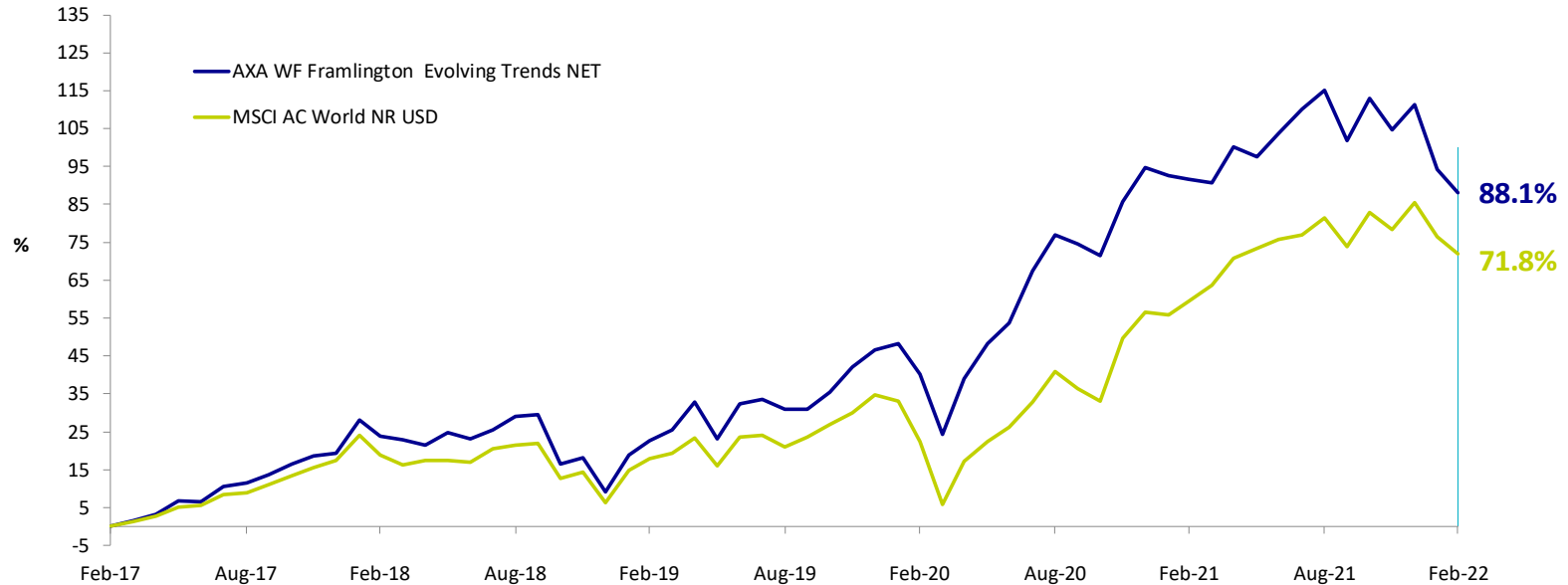


**Financial inclusion**

Source: AXA IM. Stock shown for illustrative purposes and should not be considered as advice or a recommendation for an investment strategy.

# AXA WF Framlington Evolving Trends

5 year cumulative performance to 31/01/2022 – Net in USD



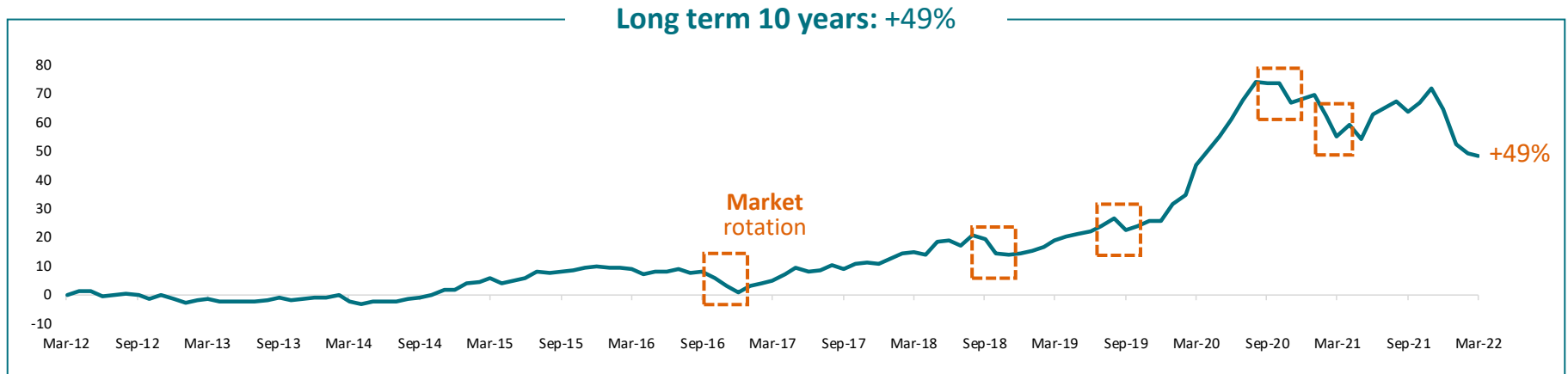
Performance - USD	Cumulative					Annualised		
	YTD	1Y	Since Reshaping (31/10/2017)	3Y	5Y	Since Reshaping (31/10/2017)	3Y	5Y
AXA WF Framlington Evolving Trends I USD - <b>Gross</b>	-10.9	-1.1	67.2	57.0	95.8	12.6	16.2	14.4
AXA WF Framlington Evolving Trends I USD - <b>Net</b>	-11.0	-1.9	61.5	53.3	88.1	11.7	15.3	13.5
MSCI AC World NR	-7.4	7.8	51.6	45.9	71.8	10.1	13.4	11.4
Net Relative	-3.6	-9.7	9.8	7.4	16.2	1.6	1.9	2.0

Source: FactSet SPAR as at 28/02/2022. Basis: I USD Acc Share Class Total Return net Annual Management Fee, MSCI All Country World Net Return in USD. \*Reshaping of the portfolio from a Global strategy into a Global Thematics strategy = 31/10/2017. Please note that not all share classes might be registered or available in your jurisdiction. Please check availability with your Financial Adviser **Past performance is not a guide to future performance.**

# STYLE: Global Equity market

## MSCI AC World Growth vs. Value

Relative performance MSCI AC Growth vs. MSCI AC Value

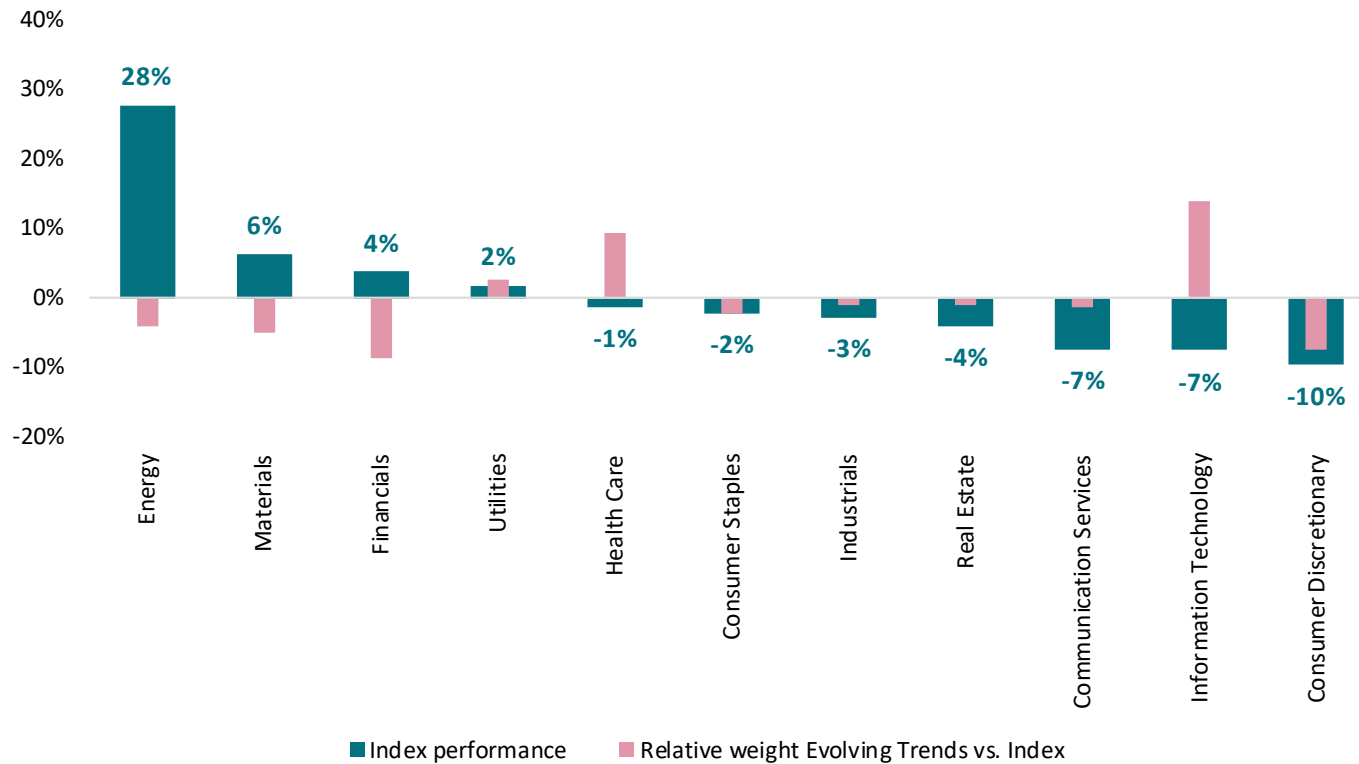


We've seen similar rotations over the past

Source: Thomson Reuters Eikon as of 25/03/2022. Performance in USD. Past performance is not a guide to future performance.

# SECTOR: Global Equity market

2022 YTD Sectorial MSCI ACWI performance vs. relative weighting of AXA WF Framlington Evolving Trends



The strategy underweight mature and cyclical sectors such as Energy and Financials

Source: Thomson Reuters Eikon as of 28/02/2022. Performance in USD. Past performance is not a guide to future performance.

## 2022 YTD Theme performance contribution

Top 10 contributors		Average weight	Stock return	Contrib return	Theme	Sub-Theme
1	American Express Company	1.1	16.7	0.2	Connected Consumer	Delivery
2	National Grid plc	2.3	5.7	0.1	Clean Tech	Smart Energy
3	Becton, Dickinson and Company	1.5	7.6	0.1	Ageing & Lifestyle	Treatment
4	Darling Ingredients Inc.	1.5	4.6	0.1	Clean Tech	Natural Resource Preservation
5	Boston Scientific Corporation	1.5	4.0	0.1	Ageing & Lifestyle	Treatment
6	NuVasive, Inc.	0.1	6.0	0.0	Ageing & Lifestyle	Treatment
7	Zimmer Biomet Holdings, Inc.	1.5	0.2	0.0	Ageing & Lifestyle	Treatment
8	Align Technology, Inc.	0.7	1.2	0.0	Ageing & Lifestyle	Wellness
9	Visa Inc.	1.8	-0.2	0.0	Connected Consumer	Delivery
10	Unilever PLC	0.9	1.6	0.0	Transitioning Societies	Spending

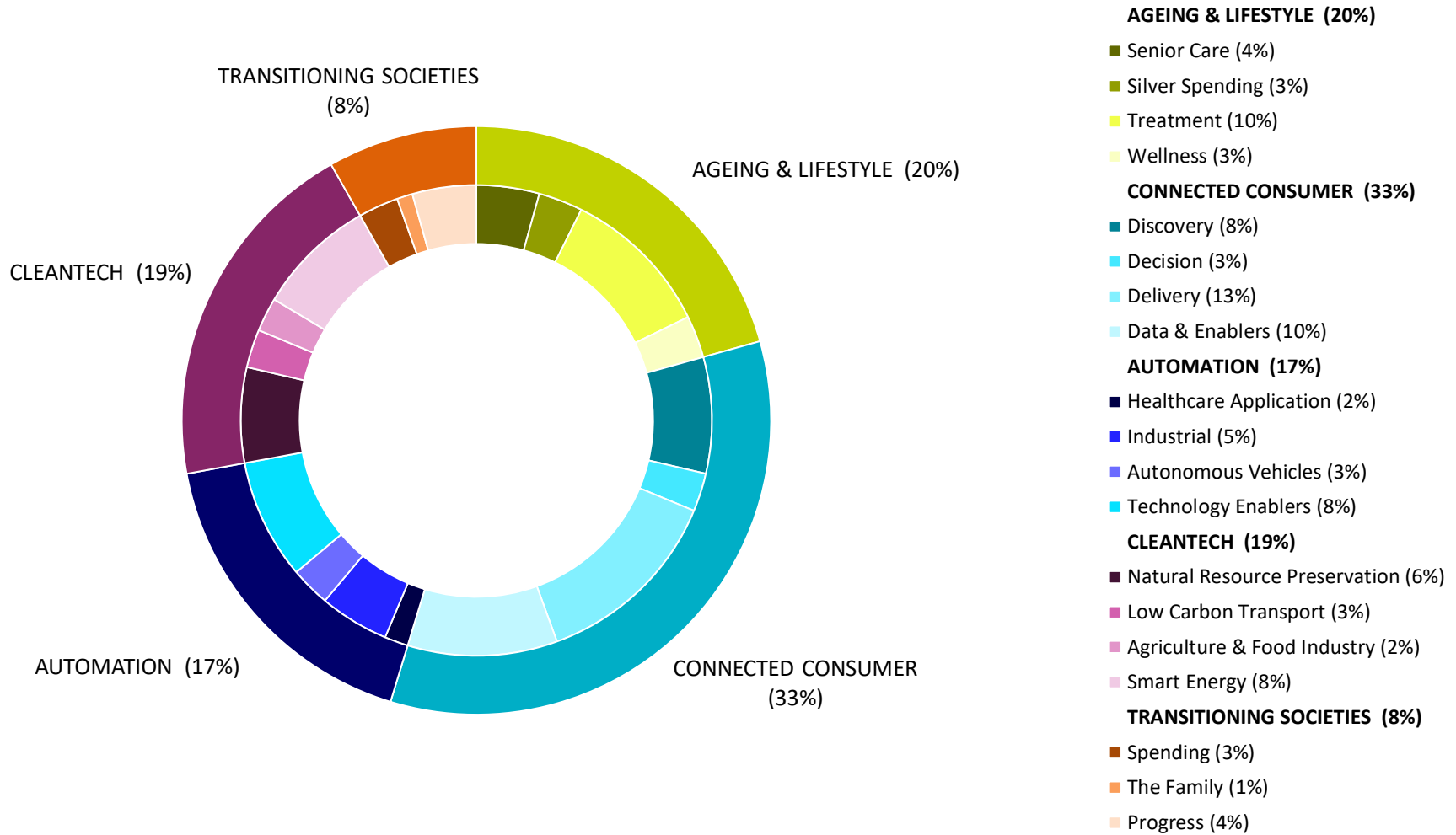
Bottom 10 contributors		Average weight	Stock return	Contrib return	Theme	Sub-Theme
1	PayPal Holdings, Inc.	1.4	-40.6	-0.7	Connected Consumer	Delivery
2	Dr. Lal PathLabs Limited	1.5	-35.0	-0.6	Transitioning Societies	The Family
3	Keyence Corporation	1.8	-25.6	-0.5	Automation	Industrial
4	Silicon Laboratories Inc.	1.8	-25.5	-0.5	Automation	Technology & Enablers
5	DexCom, Inc.	1.9	-22.8	-0.5	Ageing & Lifestyle	Wellness
6	Teradyne, Inc.	1.3	-27.8	-0.4	Automation	Industrial
7	Thermo Fisher Scientific Inc.	1.9	-18.5	-0.4	Ageing & Lifestyle	Treatment
8	Intuitive Surgical, Inc.	1.7	-19.1	-0.4	Automation	Healthcare Application
9	NextEra Energy, Inc.	2.1	-15.8	-0.4	Clean Tech	Smart Energy
10	Siemens AG	2.0	-16.4	-0.4	Automation	Industrial

Source: AXA IM FacSet as of 28/02/2022. Performance in USD. Past performance is not a guide to future performance.



# AXA WF Framlington Evolving Trends

## Sub-theme breakdown



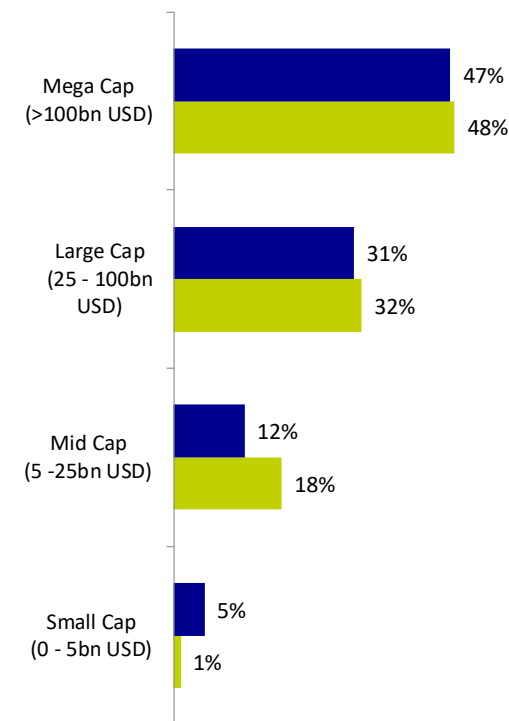
Source: AXA IM as at 28/02/2022. No assurance can be given that the strategy will be successful or that investors will not lose some or all of their capital. AXA IM reserves the right to modify any of the investment process described herein at its discretion. CR10177/08-19

# AXA WF Framlington Evolving Trends

## Top 15 holdings and market cap breakdown (as at 28/02/2022)

Stock name	%	Country	Mkt Cap	Theme
1 Alphabet	5.2	US	\$1785 bn	Connected Consumer
2 Qualcomm	2.9	US	\$194 bn	Automation
3 TE Connectivity	2.5	US	\$46 bn	Clean Tech
4 Amazon.com	2.5	US	\$1563 bn	Connected Consumer
5 National Grid	2.5	United Kingdo	\$55 bn	Clean Tech
6 ServiceNow	2.5	US	\$116 bn	Connected Consumer
7 Taiwan Semicon Mfg	2.5	Taiwan	\$559 bn	Automation
8 UnitedHealth Group	2.4	US	\$448 bn	Ageing & Lifestyle
9 Waste Connections	2.4	US	\$32 bn	Clean Tech
10 Microsoft	2.3	US	\$2240 bn	Connected Consumer
11 Apple	2.3	US	\$2695 bn	Connected Consumer
12 Kerry Group	2.2	Ireland	\$21 bn	Clean Tech
13 NextEra Energy	2.1	US	\$154 bn	Clean Tech
14 Fidelity Natl Info Svcs	2.1	US	\$58 bn	Connected Consumer
15 Fiserv	2.1	US	\$64 bn	Connected Consumer
<b>TOTAL</b>	<b>38.4</b>			
<b>Number of holdings</b>	<b>59</b>			

Breakdown by market capitalisation (in USD)



■ AXA WF Framlington Evolving Trends  
■ MSCI ALL Country World

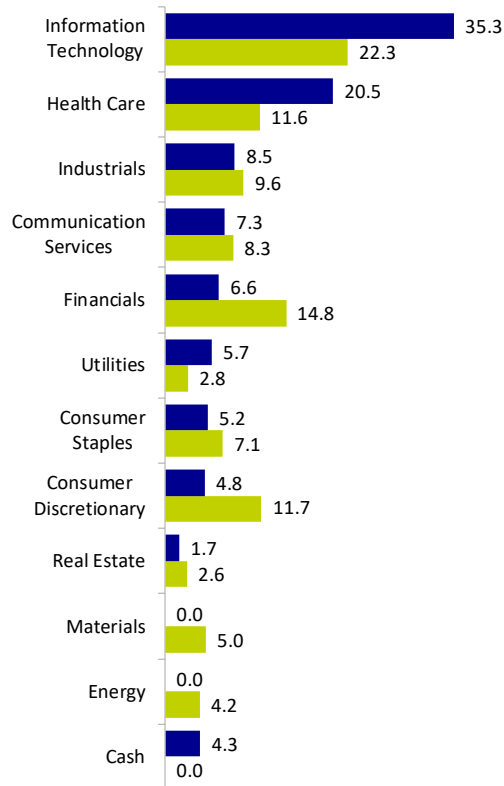
Source: AXA IM as at 28/02/2022.

Market cap typically >500m USD

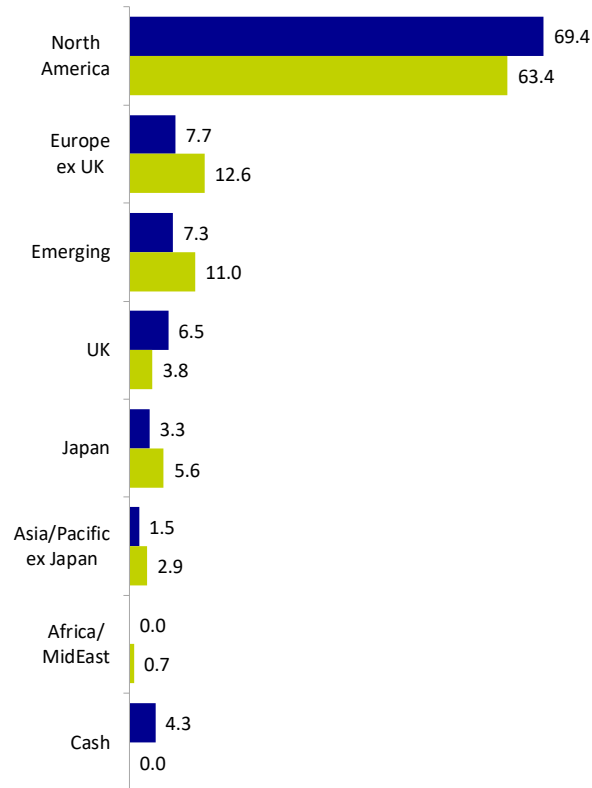
# AXA WF Framlington Evolving Trends

Sector, geographic & sales split (as at 28/02/2022)

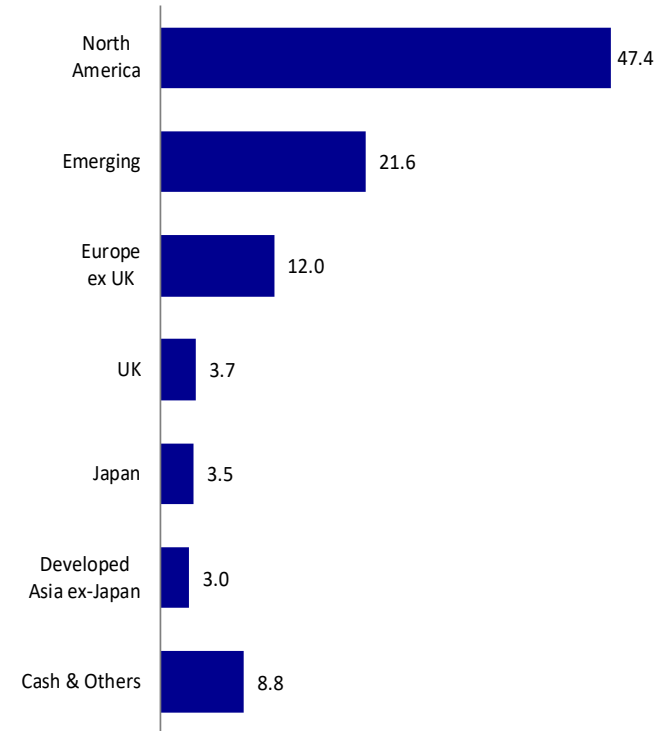
### Sector split



### Geographical split



### Sales split\*

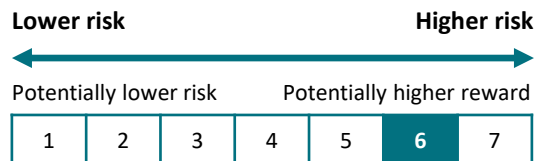


■ AXA WF Framlington Evolving Trends    ■ MSCI AC World NR

Source: FactSet as at 28/02/2022. Strategy unconstrained - MSCI All Country World used for comparative purposes . CR10177/08-19

# AXA WF Framlington Evolving Trends

## Risk and Reward profile



The risk category is calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may shift over time. The lowest category does not mean risk free.

## Additional Risks

**Equity risk :** Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets. Should the price of Shares fall within the SubFund's portfolio, the NAV of the Sub-Fund will also fall.

**Emerging markets:** Legal infrastructure, in certain countries in which investments may be made, may not provide with the same degree of investors' protection or information to investors, as would generally apply to major securities markets (governments' influence, social, political and economic instability, different accounting, auditing and financial report practises). Emerging markets securities may also be less liquid and more volatile than similar securities available in major markets, and there are higher risks associated to transactions settlement, involving timing and pricing issues.

**Investments in small and micro capitalisation universe risk:** implies specific liquidity risk. The possible lack of a liquid market may inhibit the ability of the relevant Sub-Funds to purchase or sell such investment at an advantageous price. The NAV of the SubFunds may be adversely affected. mall and micro capitalisation universe risk.

**Global Investments:** Investments in securities issued or listed in different countries may imply the application of different standards and regulations (accounting, auditing and financial reporting standards, clearance and settlement procedures, taxes on dividends...). Investments may be affected by movements of foreign exchange rates, changes in laws or restrictions applicable to such investments, changes in exchange control regulations or price volatility.

**ESG risk:** Applying ESG and sustainability criteria to the investment process may exclude securities of certain issuers for non-investment reasons and therefore some market opportunities available to funds that do not use ESG or sustainability criteria may be unavailable for the Sub-Fund, and the Sub-Fund's performance may at times be better or worse than the performance of relatable funds that do not use ESG or sustainability criteria.

## Investment objective and strategy

### INVESTMENT OBJECTIVE

The Sub-Fund seeks to achieve long-term capital growth measured in USD by investing in equities issued by worldwide companies of all capitalisations

### INVESTMENT POLICY

The Sub-Fund is actively managed in order to capture opportunities in worldwide equity markets, by mainly investing in equities of companies that are part of MSCI AC World Total Return Net benchmark index ("the Benchmark") universe. As part of the investment process, the Investment Manager has broad discretion over the composition of the Sub-Fund's portfolio and can take, based on its investment convictions, large overweight or underweight positions on the countries, sectors or companies compared to the Benchmark's composition and/or take exposure to companies, countries or sectors not included in the Benchmark, even though the Benchmark constituents are generally representative of the Sub-Fund's portfolio. Thus, the deviation from the Benchmark is likely to be significant. Investment decisions are based on a combination of macroeconomic, sector and company specific analysis. The share selection process relies mainly on a rigorous analysis of the companies' business model, quality of management, growth prospects and overall risk return profile, driven by sector specialists. The Sub-Fund invests in equities and equity related instruments issued by international companies of all capitalisations. The Sub-Fund may also invest up to 10% of its assets in convertible securities. The Sub-Fund applies the AXA Investment Managers' Environmental, Social and Governance standards policy ("ESG Standards") available on [www.axa-im.com/en/responsible-investing](http://www.axa-im.com/en/responsible-investing) according to which the Investment Manager aims at integrating the ESG Standards in the investment process by applying specific sectorial exclusions such as tobacco and white phosphorus weapons and by excluding investments in securities issued by companies in severe breach of the United Nations Global Compact principles and with the lowest ESG scores as described in the policy document. The Investment Manager bindingly applies at all times the ESG Standards in the securities selection process with the exception of derivatives and underlying eligible UCIs. Within the limit of 200% of the Sub-Fund's net assets, the investment strategy may be achieved by direct investments and/or through derivatives. Derivatives may also be used for hedging purposes.

### INVESTMENT HORIZON

This Sub-Fund may not be suitable for investors who plan to withdraw their contribution within 8 years.

# AXA World Funds - Framlington Evolving Trends

## Legal characteristics and fees

Legal Form	Sub Fund of AXA World Funds SICAV
Legal Rules	UCITS
Launch Date	1 July 2010
Currency	USD
Exit Fees	0%
Maximum Management Fees (A / E / F / I)	1.50% / 1.50% / 0.75% / 0.60%
Maximum Subscription fees (A / E / F / I)	5.50% / 0% / 2.00% / 0%
Minimum Initial Subscription (A / E / F / I)	0 / 0 / 0 / 5,000,000
Minimum Subsequent Subscription (A / E / F / I)	0 / 0 / 0 / 1,000,000
Share Class	Capitalisation and Distribution
ISIN Code	LU0503938796 (A USD), LU0503938366 (A EUR), LU0503938523 (A GBP), LU0503938879 (E EUR), LU0503938952 (F EUR), LU0503939174 (F USD), LU0503939091 (F GBP), LU0503939257 (I EUR), LU0503939414 (I USD), LU0503939331 (I GBP), LU0503939505 (I Dist.EUR Hedged) LU0503939687 (I Dist.GBP Hedged)
Management Company	AXA Funds Management S.A., Luxembourg
Investment Manager	AXA Investment Managers Paris
Custodian	State Street Bank Luxembourg S.A., Luxembourg
Valuation	Daily
Benchmark	MSCI AC World
Risk Profile	
Recommended Investment Horizon	8 years minimum

Source: AXA IM & Key Investor Information Document (KIID) – 08/07/2019. For additional Risks, please read the Prospectus. NB: Not all share classes are registered in investor's jurisdiction and registration should be checked with the asset manager.

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