

## ROSENBERG EQUITIES

## AXA Rosenberg European Fund Z GBP

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Rosenberg Equities took over day-to-day management of the Fund on 13 December 2002.

Rosenberg Equities employs a unique investment process, which combines in-depth, fundamental research with proprietary technology. This enables Rosenberg Equities to analyse more companies than most other managers would find possible.

## Fund history

Merger between SL European Growth UT and AELIM Europe UT dated 05 July 1999. The name of the Fund changed from AXA European Growth Fund to AXA Rosenberg European Fund on 31 May 2009.

## Objective

The aim of the Fund is to achieve medium to long term capital growth above that of the MSCI Europe ex UK index on a rolling three to five year basis.

## Fund manager's commentary

## Factors affecting performance

## Comments as at Q2 2020

The Fund delivered robust absolute gains and kept pace with its benchmark over the quarter. Factor headwinds remained evident as value underperformed, smaller companies did better than larger companies, and the tilt towards this part of the market was rewarded. Industry allocations were rewarded this quarter, particularly underweighting the integrated oil and aircraft industries.

At a stock level, the top contributors over the quarter came from stocks that could benefit from a rebound in economic activity, and holdings of stocks such as industrial engineering firm Sulzer and automotive parts manufacturer SKF were beneficial, as was an allocation to chemicals firm Kemira.

Stock selection was more mixed in the healthcare sector, where some stocks gave back gains made earlier in the year and share prices were affected by success in clinical trials to develop treatments for COVID-19. This meant that not owning Bayer weighed on relative returns, but so did the overweight position in Roche.

During the quarter, we adapted the proprietary momentum signal used within our multi-factor portfolios from a blend of one-year price momentum and one-year-ahead earnings revisions to focus instead on near-term earnings revisions. This change was motivated by research, which shows that in periods of significant market dislocation, one-year price momentum contains stale or obsolete investor sentiment information, and in such environments short-term earnings revisions may be a more effective way to navigate turbulent markets.

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

	%
ROCHE HOLDING AG	4.7
NESTLE SA	4.7
SAP SE	3.6
ASML HOLDING NV	3.2
NOVARTIS AG	3.1
NOVO NORDISK	2.6
LVMH MOET HENNESSY LOUIS VUITTON SE	2.3
UNILEVER NV	2.2
SANOFI	2.1
IBERDROLA SA	1.8
<b>Total*</b>	<b>30.3</b>
<b>Total number of holdings</b>	<b>158</b>

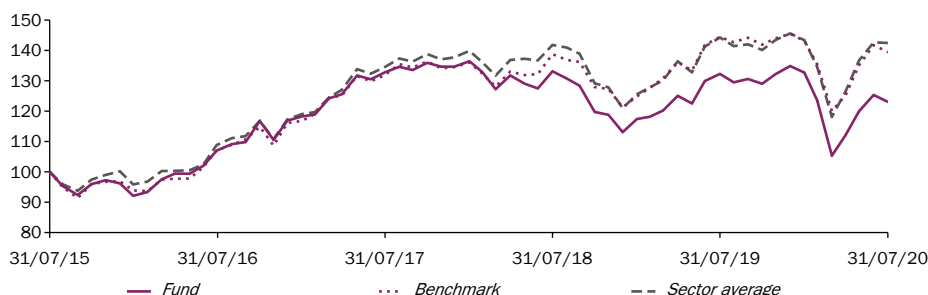
\* Total may not equal sum of top ten holdings weightings (above) due to rounding.  
Stocks shown for information purposes only. They should not be considered as advice or a recommendation.

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

	30/06/15 - 30/06/16	30/06/16 - 30/06/17	30/06/17 - 30/06/18	30/06/18 - 30/06/19	30/06/19 - 30/06/20
AXA Rosenberg European Fund Z GBP	4.1	27.9	-2.3	1.9	-3.5
Benchmark*	6.0	27.8	1.8	7.3	0.0

**Cumulative performance**

	Fund (%)	Benchmark* (%)	Sector median*** (%)	Ranking	Quartile
6 M.	-7.3	-2.6	-1.4	103/119	4
Year to date	-8.8	-4.1	-2.7	98/118	4
1 Y.	-7.0	-3.4	-2.2	97/117	4
3 Y.	-7.3	5.8	5.9	90/106	4
5 Y.	23.0	39.5	41.7	80/97	4

**Cumulative performance** over five years

Source: AXA Investment Managers and Morningstar. Figures are quoted on a single price basis, net of Zshare class fees and expenses with net income reinvested, in GBP. Performance takes into account ongoing charges but not any initial charge that may be payable. **Past performance is not a guide to future performance.**

\*Benchmark is MSCI Europe ex UK Total Return Net. Prior to 01/10/16 the benchmark of the fund was FTSE World Europe ex UK gross. Current benchmark performance is quoted net of tax which we feel is a fairer comparator to fund performance.

\*\*\*The Fund's peer group sector is the IA OE Europe Excluding UK sector.

**Geographical Allocation**

	%
France	19.40
Switzerland	19.36
Germany	18.16
Netherlands	9.19
Sweden	7.57
Spain	6.54
Denmark	5.54
Belgium	3.72
Italy	2.70
United Kingdom	2.18
Other	5.73

**Sector Allocation**

	%
Health Care	18.65
Industrials	15.93
Financials	14.94
Consumer Goods	14.26
Technology	12.43
Utilities	7.33
Consumer Services	7.09
Basic Materials	3.90
Telecommunications	3.28
Other	2.18

**Relative overweight** top 5 positions

Overweightings	Spread
Uniper SE	1.06
SAP SE	1.05
Bechtle AG	1.04
Koninklijke Ahold Delhaize NV	1.00
Deutsche Boerse AG	1.00

Relative: MSCI Europe Ex UK Total Return Net

**Relative underweight** top 5 positions

Underweightings	Spread
Air Liquide SA	-1.04
Bayer AG	-0.99
PROSUS COMMON STOCK ZAR.05	-0.72
Lonza Group AG	-0.70
ABB Ltd	-0.70

Relative: MSCI Europe Ex UK Total Return Net

**Fund facts**

Fund type	OEIC
Fund size	£14.4m
Underlying Yield**	1.17%
Launch date	03/01/95
IA Sector	Europe Excluding UK
Currencies available	GBP
Dealing day	09:00 to 17:30 business hours
Valuation point	12:00 London time

\*\* Net of tax, net of expenses. All information in this factsheet relates to share class Z only. 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	0.97%
Min initial investment	£100,000
Min subsequent investment	£5000
ISA status	Eligible

**Fund codes**

Sedol	accumulation	0746069
ISIN	accumulation	GB0007460693
MEX	accumulation	ELEUA

**Income payments**

Accounting Final	31 Jan
Ref Dates	
Interim	31 Jul
Distributions Final	31 Mar
Interim	30 Sep

Sources: AXA Investment Managers UK Limited and Morningstar. Unless otherwise stated all data shown is at 31/07/2020.