

AXA FRAMLINGTON Equity Income (UT)

OBSR Fund Rating
AA / Silver



Key Information

Launch Date	16 January 1980	
Fund Size	£149.9m	
Type of Units Available	Income & Accumulation	
Distribution Dates	15 March, 15 September	
Net Yield	4.06%*	
ISA	Yes	
ISA Transfer	Yes	
Standard Fund Management Charges	Initial	5.25%
	Annual	1.50%

Classification

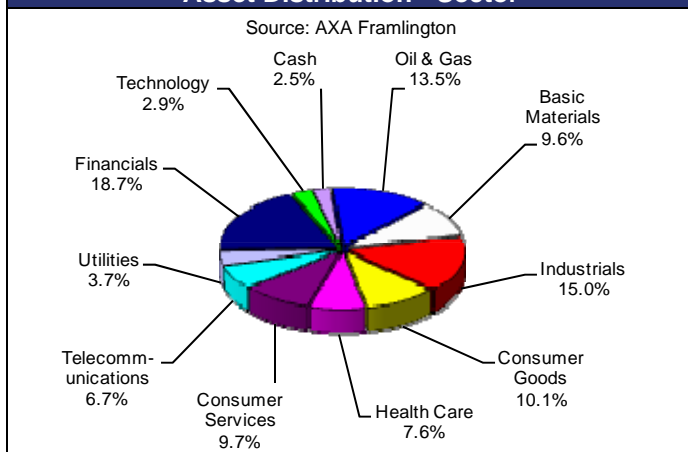
Sector	UK Equity Income
Market Cap / Style	All Cap / Blend
Benchmark/Index	FTSE All-Share

Management/Investment Style

Fund Manager	George Luckraft (September 2002)
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Offers investors exposure to a portfolio of UK equities designed to provide above average income and growth in income and capital over the longer term managed by the experienced George Luckraft using a bottom-up stock-picking approach.

Asset Distribution - Sector



Top Ten Holdings

	%
Royal Dutch Shell - B Shares	7.8
GlaxoSmithKline	5.8
Vodafone Group	5.2
BP	4.8
HSBC Holdings	4.5
Latchways	4.2
British American Tobacco	4.1
Cineworld Group	3.6
Anglo Pacific	3.5
Devro	3.3
Concentration (Top 10)	46.8
Total Number of Holdings	76

Source: AXA Framlington

* as at 30 November 2011

Investment Objective & Methodology

The fund aims to produce a higher than average yield combined with long-term growth of income and capital. Investment is made principally in UK equities and convertible shares of companies which, in the manager's opinion, show above average profitability, management quality and growth. The manager aims to provide a yield of 115% of that of the FTSE All-Share Index. The fund has been managed in accordance with its current process since September 2002.

The fund is managed by George Luckraft, who joined Framlington in September 2002. He had previously managed the ABN AMRO Equity Income and High Income funds with which he built a fine long-term track record after taking over the funds in 1992. He is one of a team of seven UK equity fund managers which allows managers the freedom to manage portfolios individually but which also provides an environment where ideas may be raised and discussed.

The investment philosophy that lies behind the management of this fund is the belief that multi-cap investing, pursued flexibly over time, will deliver above average fund returns. The investment process is largely a bottom-up, stock-picking approach drawing upon the fund manager's considerable experience. The manager will employ a slightly different approach in the management of this fund compared with his previous fund. Previously, he used a barbell investment approach which combined the inclusion of high-yielding stocks judged to be of high quality and able to sustain their dividends with those having a lower yield but the potential for significant profit and dividend growth, typically found within the mid and small-cap universes; additionally he included some pure growth stocks. However, he believes that because of the prevailing conditions in the market the number of high-yielding stocks and those capable of delivering earnings growth trading at attractive prices has increased and thus the need for pure growth stocks has diminished. The manager will generally maintain at least one-third of the portfolio in FTSE 100 companies and will allocate the balance to a spread of medium-sized and smaller companies. He places considerable emphasis on meeting companies and their management and determining the feasibility of business plans and the ability of management to execute those plans.

The portfolio is moderately diversified, typically holding between 60 and 70 stocks. The manager tends to run a fully-invested portfolio, although he will use cash tactically when he deems it to be appropriate.

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Data as at 31 December 2011
Last Updated January 2012