

AXA Framlington **Robotech**



Robotics is rapidly changing every aspect of how we work and live, increasing efficiency, precision and safety across multiple industries. AXA Framlington Robotech strategy¹ offers a focused entry point into this multi-decade investment theme.



WHO IS IT FOR? INVESTORS:

- › Seeking long-term growth potential
- › Looking for exposure to innovative companies
- › Considering portfolio diversification



WHY AXA INVESTMENT MANAGERS?

- › Established history in long-term thematic investment
- › One of the first active thematic robotics investors
- › Average 20 years investment experience in Framlington Equities²

¹ AXA Framlington Robotech strategy underlies the AXA World Funds - Framlington Robotech fund.

² AXA IM, as at 31 December 2019

Why invest in robotics?

The demand for industrial robots has accelerated in recent years due to the ongoing trend towards automation and innovative technological advancements. Advances in technology have made robots capable of performing highly sophisticated and delicate work as well as working alongside humans to drive productivity and efficiency.

Where are robotics being used?



Labour shortage

Younger generations have little interest in repetitive work. China, for example, has become the world's leading buyer of robots to replace such jobs in recent years.



Hazardous work

In the mining and oil industries, automated drilling and goods transportation can reduce the risk of accidents.



Critical applications

Tasks requiring precision beyond human ability, such as robot-assisted surgical procedures.



Large-scale complex tasks

The acquisition of robot manufacturers by online retailers has helped to optimise the preparation of orders and speed up delivery times.³

The rapidly changing robotics industry

As the pace of technological innovation quickens, robots have grown more intelligent and less expensive in a world where the working population is shrinking (for example in China and Japan) and where younger generations are abandoning jobs involving little added value or creative insight.

In this emerging investment universe, not every company will be a winner of tomorrow. It is therefore critical to really understand the sectors where robotics has the potential to create long-term value – as well as the quality of individual companies operating in this field.

The global robotics market is
expected to grow

10%

per year until 2025⁴

³ Source: www.challenges.fr

⁴ Data from the 2018 IFR World Robotics report also broadly corroborates this forecast, anticipating +16% annual growth in the global industrial robotics market until 2021.



Tom Riley, CFA
Portfolio Manager

“We believe that innovation in robotics is a significant growth opportunity, and we are just in the early stages of this multi-decade investment theme.”

Why invest in AXA Framlington Robotech?

The strategy aims to generate long-term capital growth by investing in companies throughout the world active in the expanding field of robotics and robotics-related technologies.

1 Access the long-term growth potential of the rapidly expanding robotics market.

Supported by shifting demographics and improving technologies, the robotics market is expected to grow 10% a year until 2025.⁵

2 Exposure to companies with growth potential across multiple industries.

We focus on the investable areas of the robotics market, such as: industrial automation, robotic-assisted surgery, driverless vehicles and the underlying intelligence which supports robotic technologies.

3 Benefit from an actively managed, unconstrained approach.

Including more than 400 meetings with robotics and technology executives each year, our detailed coverage of the investment universe helps us identify companies with above-average growth prospects in this emerging theme.



10%

Global robotics market expected annual growth until 2025⁵



40-60

stocks

Global multi-cap strategy investing in a concentrated portfolio



48

Regional and sector experts in Framlington Equities⁶

⁵ Source: BCG, BofA Merrill Lynch, 2015

⁶ Source: AXA IM as at 31 December 2019

How is the strategy different from AXA IM's Digital strategy?

Robotech

Focuses more on the industrial applications of technology such as manufacturing, healthcare or automotive

Digital Economy

Focuses more on the overall online consumer experience, as well as sectors like media, fintech and logistics. The strategy also has little, if any, exposure to semiconductors, offering low overlap with traditional technology benchmarks.

Key Risks — AXA Framlington Robotech strategy

Market Risk - The strategy is subject to normal fluctuations and the risks associated with investing in international securities markets. Therefore, the value of your investment and the income from it may rise or fall and you may not get back the amount originally invested.

Counterparty Risk - The strategy may be exposed to risk of bankruptcy, insolvency, or payment or delivery or failure of any of the involved counterparties leading to a payment or delivery default.

Impact of any techniques such as derivatives - Certain management strategies involve specific risks, such as liquidity risk, credit risk, counterparty risk, legal risk, valuation risk, operational risk and risks related to the underlying assets. The use of such strategies may also involve leverage, which may increase the effect of market movements on the Fund and may result in significant risk of losses.

Global Investment Risks - Investments in foreign securities, i.e. securities denominated in a currency different from the strategy's reference currency, offer potential benefits not available from investments solely in securities denominated in the Fund's reference currency. Indeed, foreign investments may be affected by movements of exchange rates, changes in laws or restrictions applicable to such investments and changes in exchange control regulations (e.g. currency blockage).

Emerging Markets Risk - The strategy may invest in securities with exposure to emerging markets that involve significant risks related to matters as such as illiquidity of securities and potentially volatile nature of markets not typically associated with investing in other established economies.

Investments in specific sectors or asset classes - The strategy focusses on single [or limited number of] industry sectors therefore, may be susceptible to greater risks or market fluctuations than investment in a broader range of investments covering broader range of economic sectors.

The list of risks is neither detailed nor complete. Other risks are described in Fund's Prospectus.

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