

AXA World Funds Framlington FinTech



Technological transformation is changing many aspects of how we live and work, and this is particularly true when it comes to financial services. Innovations in financial technology like mobile banking, digital payments and blockchain are taking us into a new era of disruption.

AXA WF Framlington FinTech aims to capture the performance of the expanding global fintech market by investing in companies with high-growth potential, as they apply technological innovations to disrupt and improve the delivery of financial services.



WHO IS IT FOR? INVESTORS:

- › Looking for long-term exposure to multi-decade growth drivers
- › Seeking actively-managed global equity exposure
- › Searching for diversification opportunities



WHY AXA INVESTMENT MANAGERS?

- › Established history in long-term thematic investment
- › One of the first active thematic fintech investors
- › An average of 20 years' investment experience in Framlington Equities

What is fintech?

Fintech describes the ecosystem of companies that apply technological innovation such as data and analytics, software, artificial intelligence or mobile technology to disrupt and/or improve the financial services industry. These companies can be existing financial or technology companies developing in this area, or companies specifically created to focus on financial technologies.

Why should investors care about fintech?

The number of financial transactions we make each day has increased steadily in recent years, and digital payments are becoming more embedded in other routine activities. As this pace of innovation gets quicker, customers increasingly expect the ability to make secure financial transactions anywhere, anytime, on any platform.

Financial companies are also acutely aware of how quickly their consumers' behaviour is changing, and many established players are expanding their digital offering to give customers all the services they need. Around the world, companies are capturing the potential of this financial technology to disrupt their markets, serve their customers more efficiently, and ultimately gain market shares compared to their peers.

Where does AXA WF Framlington FinTech invest?



Cashless Society

People around the world are increasingly making payments digitally, taking us towards a Cashless Society.

We invest in companies operating across online shopping, digital payments, payment processing for merchants, integrated omni-channel and cross-border payment solutions.



Innovative Leaders

Many established companies are disrupting or improving the financial services industry by using technology to serve their large, existing client base.

We invest in companies operating across traditional areas of banking, insurance and wealth management, which use mobile and digital innovations to create opportunities.



Technology Enablers

Technological 'Enablers' provide the crucial technology to support and develop fintech companies' digital presence via various channels and devices.

We invest in companies that help both fintech natives and traditional financial firms cut costs, personalise their services or improve security for their customers. We also see many emerging business segments, such as blockchain, artificial intelligence and regulatory technology.

These are internal guidelines which are subject to change without notice.
Please refer to the prospectus for the fund's full investment guidelines and risks.



Vincent Vinatier
Portfolio Manager

“We believe that fintech represents a large and expanding ecosystem of companies which are still at the early stages of long-term growth. As fintech companies move from competition to collaboration, we expect the financial industry’s profit pool to be redistributed in a major way, creating significant opportunities for investors as the industry matures.”

Why invest in AXA WF Framlington FinTech?

1 Diversified access to the growth potential of the fintech universe.

We focus on companies that we believe are well-placed to benefit from the rapid growth of the fintech market, investing in three main sub-themes we have identified across the full fintech value chain – Cashless Society, Innovative Leaders and Technology Enablers.

2 Exposure to the fintech ecosystem.

We only invest in companies that use or create fintech as a key source of competitive advantage in their fields. This ensures that each and every stock in the portfolio is supported by multi-decade drivers of growth, regardless of companies’ geographic listing or sector classification. Some of these companies may be smaller, ‘pure play’ fintech companies, whereas others are larger companies that have growing exposure to the theme.

3 An active, long-term approach to fintech.

Aiming to give investors sustainable growth, our investment process is rooted in Framlington Equities’ established fundamental stock selection philosophy, which seeks above-average growth prospects over the long term.



\$500bn

Estimated spend by financial services companies on IT infrastructure in 2021¹



40-60

stocks²

Global multi-cap strategy investing in a concentrated portfolio



2021

eWallets are forecast to overtake credit/debit card as the leading payment method by 2021³

How is the Fund different from AXA WF Framlington Digital Economy?

AXA IM offers a range of thematic equity strategies, including AXA WF Framlington Digital Economy. Whereas AXA WF Framlington FinTech focuses specifically on the ways in which companies are using technology to disrupt and/or improve the financial services industry, our Digital Economy strategy focuses on consumers’ online shopping experience, from the discovery of products and services through to delivery. There is roughly a 25% overlap between these two strategies in terms of holdings, in two main areas: first, the use of digital payments, which is becoming increasingly embedded in other routine activities; secondly, the impact of ‘enablers’ in providing the crucial data or technology to support companies in the digital and fintech landscape.

1 IDC Report, 2018

2 These are internal guidelines which are subject to change without notice. Please refer to the prospectus for the fund’s full investment guidelines and risks.

3 World Pay Global Payment Report 2017

AXA WF Framlington FinTech

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which may be subject to sudden and significant variation, which may result in substantial gains or losses.

Counterparty Risk: Risk of bankruptcy, insolvency, or payment or delivery failure of any of the Fund's 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, 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.

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