SHINING A LIGHT ON THE……
Axiom Concentrated Global Growth Fund

AT A GLANCE

Investment Objective
Axiom invests in dynamic growth stocks globally. Axiom seeks to identify companies whose key business drivers are both improving and exceeding expectations through its systematic process of data collection, analysis and portfolio construction. The Concentrated Global Growth Equity strategy focuses its investments in global developed markets, but may also invest in companies located in emerging markets. The strategy consists of growing companies and companies undergoing significant change with an emphasis on investments benefiting from significant emerging market growth. Axiom's investment universe includes over 7,000 companies from which the investment team selects between 20 and 50 stocks

Inception Date	12th April 2017
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000YZ18

Management	
Manager Name	**Start Date**
Andrew Jacobson	12th April 2017
Donald Elefson	12th April 2017
Bradley Amoils	12th April 2017

FUND PERFORMANCE

Performance from 1st January 2018 – 30th September 2021

	2018	**2019**	**2020**	**2021**
Axiom Concentrated Global Growth Fund	-5.27%	30.97%	32.66%	17.80%
MSCI AC World	-3.78%	21.71%	12.67%	12.65%

Performance over 12 months, 3 years and since launch:

	1 year	**3 years**	**Since launch**
Axiom Concentrated Global Growth Fund	22.83%	69.61%	124.70%
MSCI AC World	22.19%	38.00%	59.51%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Tracking Error	Information Ratio	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
5.79	1.37	-	113.08	113.37	58.33	1.05	1.49	Growth/Large

Volatility Measurements	
3-Yr Std Dev (volatility)	17.59%
3-Yr Mean Return (average)	19.26%

Investment Style Details	
Giant	60.85%
Large	24.97%
Medium	13.20%
Small	0.00%
Micro	0.00%

Top 5 Holdings – 26 Equity Holdings		
Microsoft Corp	Technology	9.45%
ASML Holding NV	Technology	8.82%
Adobe Inc	Technology	6.47%
LVMH Moet Hennessy Louis Vuitton SE	Consumer Cyclical	5.33%
Sartorius Stedim Biotech SA	Healthcare	4.95%

Top 5 Sectors	
Technology	42.31%
Industrials	15.16%
Healthcare	13.19%
Financial Services	12.07%
Consumer Cyclical	9.26%

Top 5 Regions	
United States	59.38%
Netherlands	13.73%
France	10.38%
United Kingdom	4.52%
Sweden	3.80%

UPDATE….

We have had a couple of meetings with the team already and this update was really to drill down on the concentrated portfolio. It is worth touching on Axiom. They are a boutique business and are 100% privately owned, with 25 equity partners which includes all the portfolio managers. Six out of seven analysts are also partners meaning that they are very much part of the businesses. Although they are US based, 40% of the investors are based outside of the US. All decisions are collaborative but 75% of the team must agree. The final decision rests with Andrew Jacobson.

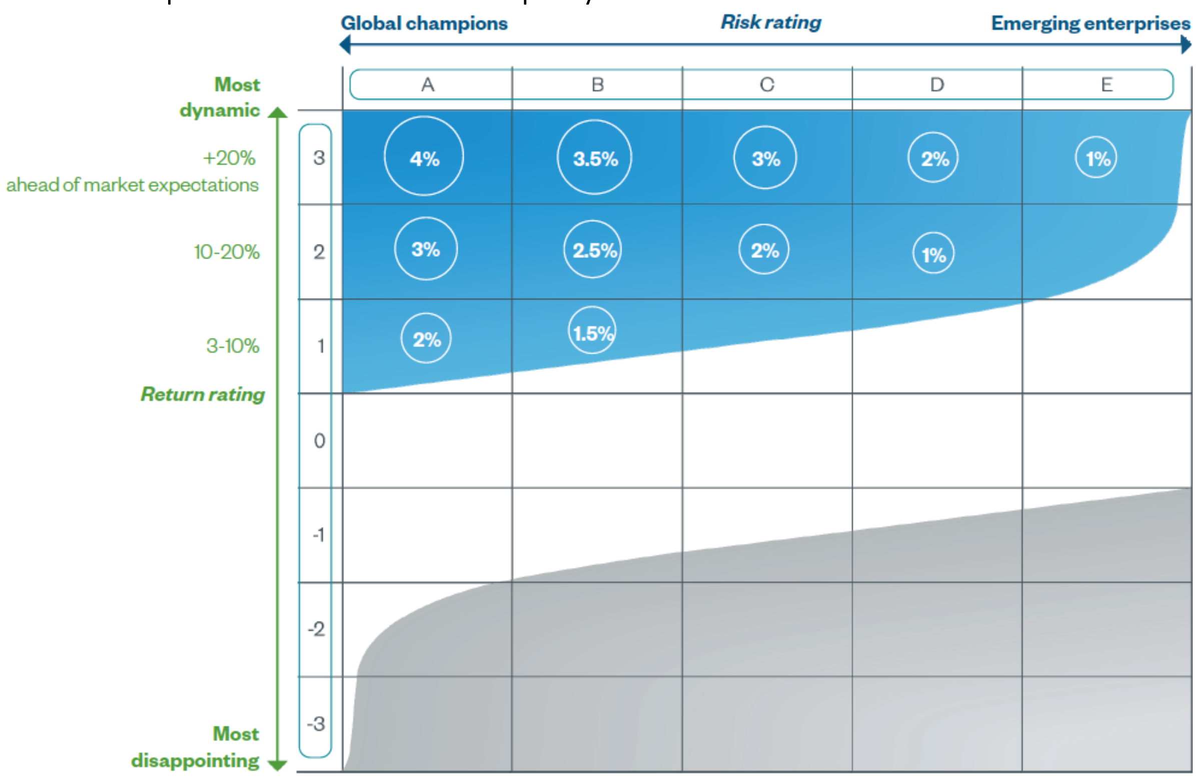
The process is the same across the two global funds, with this strategy focusing on a small group of names. They believe on focusing on a medium-term horizon of 2 to 3 years as they think this is a sweet spot for investments. Companies are always reviewed and it can mean they are held for 5 years, but that could be because the business case is evolving.

They focus across three areas: positive change (60%), sustainable growth (20%) and valuation (20%). Positive change looks at areas like key operational drivers etc, sustainable growth on areas like secular growth characteristics and valuation is about looking at previous pricing points and how it looks against the peer group.

They also operate a proactive approach to information, with 300 data points a day analysed by the team, and this has built up since the business was established meaning that they have over a million unique data points. This provides a rich source of information.

We discussed value and growth and they feel that the style of investing means they do not sit in either camp. Positive change is a key driver, but sustainable growth and valuation are around 40% of the decision process. So, a company might be value if the other areas pull together.

The rating system is really important and this is how they decide how much to allocate to a company. In the concentrated portfolio the focus is on A to C, where the weightings are doubled. They currently have 5 companies under C, 11 under D and the balance in A. They can and do have small cap in the concentrated portfolio but are mindful of liquidity with smaller names.



An example of a small cap holding is CTS Eventim which is a German ticket company. They added this towards the end of 2020 as economies started to open. Its balance sheet is such that if there was only one event between now and 2024 the company would be fine. The company has a 70% market share.

ASML is a company they have held for five years and still see upside, especially in areas like DUV lithography systems. The reason for holding has changed over the time they have held it, and this reflects the dynamic nature of what they do.

There will be some overlap with the growth fund in names, but it might also be in themes. So, both the growth and concentrated portfolio might invest in healthcare but hold different names to access this.

In summary, Axiom follow the same process and team to manage the two strategies. The difference is the focus on a smaller number of names, meaning that the position sizes are larger and the quality towards the top end to reduce the potential downside risk. Although the themes are similar across the strategies, they may use different names to access these opportunities. These are both well managed strategies that have delivered strong performance. This feels like a best in class, and we would therefore expect this to deliver better performance over the longer term. This is a strategy that we have on our watch list.

The source of information in this note has been provided by Axiom and is correct as of October 2021. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.