

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

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

FUND PERFORMANCE

Performance from 1st January 2018 – 31st January 2022

	2018	2019	2020	2021	2022
Axiom Concentrated Global Growth Fund	-5.27%	30.97%	32.66%	22.28%	-11.26%
MSCI AC World	-3.78%	21.71%	12.67%	19.63%	-4.00%

Performance over 12 months, 3 years and since launch:

	1 year	3 years	Since launch
Axiom Concentrated Global Growth Fund	10.53%	80.23%	106.99%
MSCI AC World	15.89%	50.75%	62.61%

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.

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Tracking Error	Information Ratio	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
6.59	1.07	-	117.90	129.16	61.11	1.07	0.83	Growth/Large

Volatility Measurements	
3-Yr Std Dev (volatility)	17.67%
3-Yr Mean Return (average)	21.70%

Investment Style Details	
Giant	48.80%
Large	32.67%
Medium	17.33%
Small	0.00%
Micro	0.00%

Top 5 Holdings – 24 Equity Holdings		
Microsoft Corp	Technology	9.63%
ASML Holding NV	Technology	8.15%
SVB Financial Group	Financial Services	6.98%
ServiceNow Inc	Technology	6.75%
Alphabet Inc Class A	Communication Services	5.39%

Top 5 Sectors	
Technology	39.71%
Industrials	17.14%
Financial Services	16.38%
Healthcare	9.85%
Communication Services	7.22%

Top 5 Regions	
United States	62.49%
Eurozone	21.98%
United Kingdom	4.62%
Asia – Developed	4.08%
Asia – Emerging	3.51%

UPDATE....

We have had several meetings with the team. This is ultimately a quality growth strategy and therefore has suffered in the recent downturn. However they aim to look through short term noise and focus on long term fundamentals.

The process is the same across the two global funds, with this strategy focusing on a small group of names. They believe in 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.

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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.

Much of the discussion in this update was around inflation and growth. They indicated that in the US the inflation figure of 7% is made up of 2% from energy and 2% from goods. Both they believe will be resolved and this would lead to an inflation of around 3%. The market has become fearful of inflation, and this is reflected in the spike of news stories of around 1000 a day! This fear has driven the market down.

The other fear is around growth and this is slowing. The market concern is the impact this will have on some growth companies.

All of this has dragged down the market, irrespective of company fundamentals. If you look at Microsoft the top line continues to grow, and they continue to sign new contracts. The style of investment that they adopt is about identifying those dynamic growth companies that can weather any cycle.

During this time they are opportunistically adding to stocks as they are seeing green shoots of inflation slowing, especially in Asia, and they believe that as we enter earnings season the focus will turn to fundamentals rather than macro noise.

In summary, Axiom remain true to their style and although in the short-term things have not gone the way they would like, the underlying fundamentals remain for the companies they invest in. They believe the downturn has opened opportunities for them and they believe once the markets focus on fundamentals this could see a re-rating.

The source of information in this note has been provided by Axiom and is correct as of February 2022. 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.