



# Concentrated Global Growth Equity Strategy

AS OF DECEMBER 31, 2017

## Strategy facts

**Lead Portfolio Manager:** Andrew Jacobson, CFA  
**Co-Portfolio Manager:** Bradley Amoils and Donald Elefson, CFA  
**Inception:** December 3, 2014  
**Assets under management:** \$153 M  
**Vehicles:** Separate account, commingled fund, CIT\* and UCITS  
**Benchmark:** MSCI All Country World

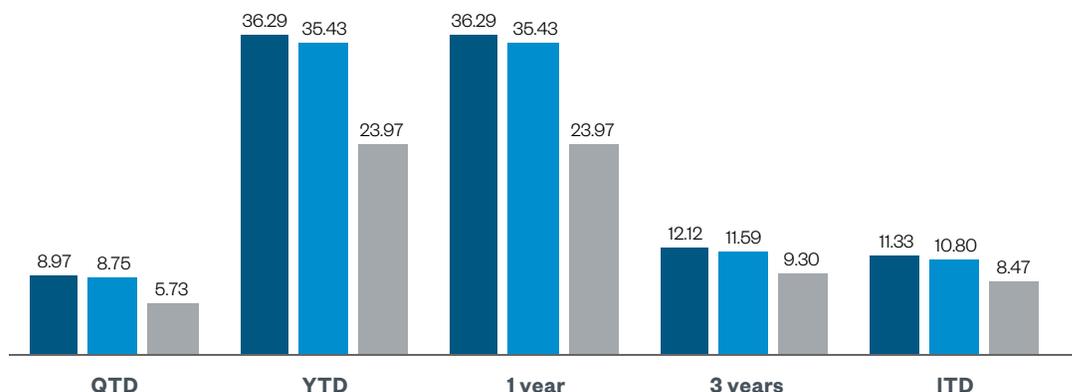
## Strategy objectives

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.

## Annualized returns

Performance period: 12/3/14-12/31/17

- Concentrated Global Growth Equity Composite (% gross of fees)
- Concentrated Global Growth Equity Composite (% net of fees)
- MSCI AC World Index (%)



Please refer to the attached GIPS compliant presentation for complete performance information. Past performance is no guarantee of future results.

## Portfolio statistics

	Strategy	Bench.
Holdings	32	2,497
Weighted Average Market Cap (\$M)	\$211,823	\$131,638
Liquidity (\$M/Day)	\$931	\$519
Net Debt/Equity Ratio	11.2	56.6
Price Earnings Ratio	20.4	16.2
Earnings Growth Rate	26.2	15.4
PEG Ratio (PE/Growth Rate)	0.8	1.0
Earnings Revisions Up	77%	58%
Earnings Revisions Down	23%	42%

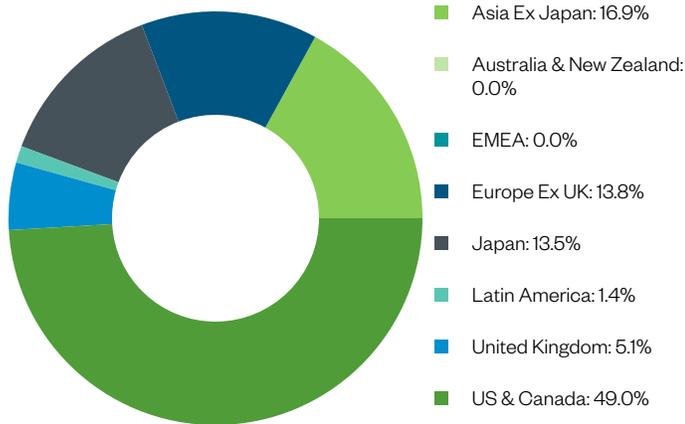
## Portfolio top ten holdings

Security	Country	Sector	Strategy	Bench.
Facebook	US	Info. Tech.	7.8%	0.9%
Citigroup	US	Financials	6.6%	0.4%
Kering	France	Discretionary	5.9%	0.1%
Adobe Systems	US	Info. Tech.	5.1%	0.2%
Komatsu	Japan	Industrials	5.0%	0.1%
Keyence	Japan	Info. Tech.	5.0%	0.1%
Amazon.com	US	Discretionary	4.9%	1.0%
Alphabet	US	Info. Tech.	4.7%	0.7%
Tencent	China	Info. Tech.	4.4%	0.7%
AIA Group	HK	Financials	4.3%	0.2%

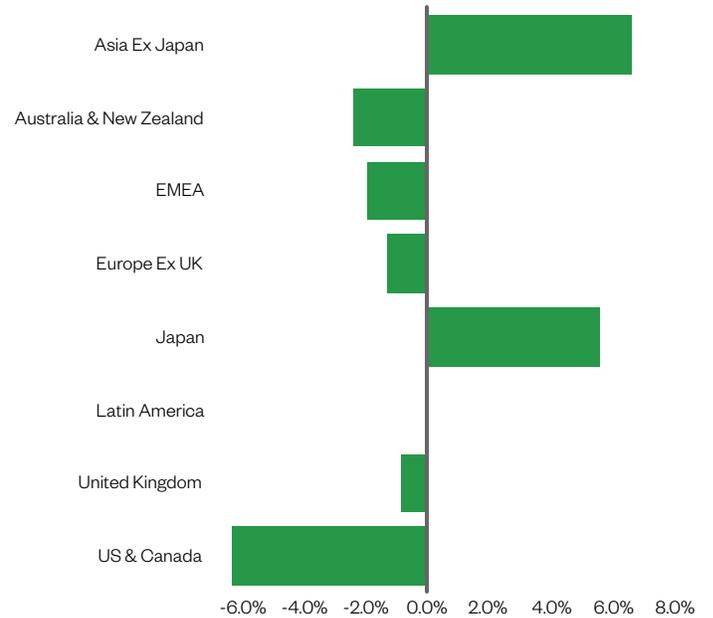
Source: Factset and Axiom. This information is supplemental to the Investment Performance Disclosure Statement results. There can be no assurance that the Strategy will continue to hold these positions or that weightings do not change after the as of date stated.

\*SEI Trust Company (the "Trustee") serves as the Trustee of the Trust and maintains ultimate fiduciary authority over the management of, and the investments made in, the Fund. The Fund is part of a Collective Investment Trust (the "Trust") operated by the Trustee. The Trustee is a trust company organized under the laws of the Commonwealth of Pennsylvania and a wholly owned subsidiary of SEI Investments Company (SEI).

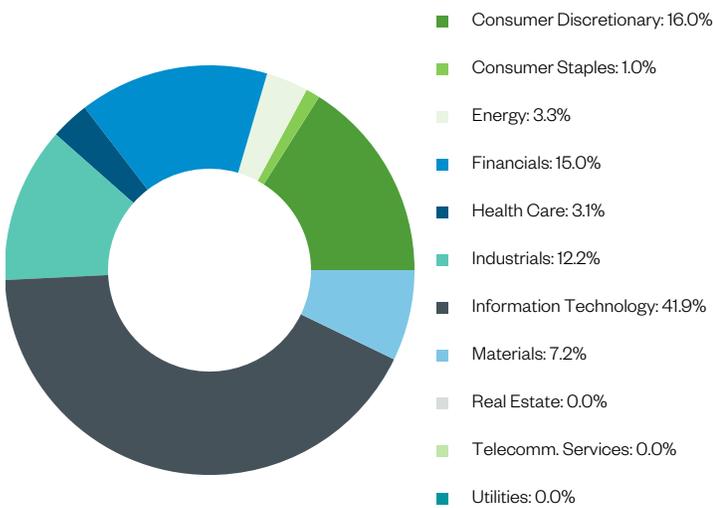
## Portfolio exposure by region



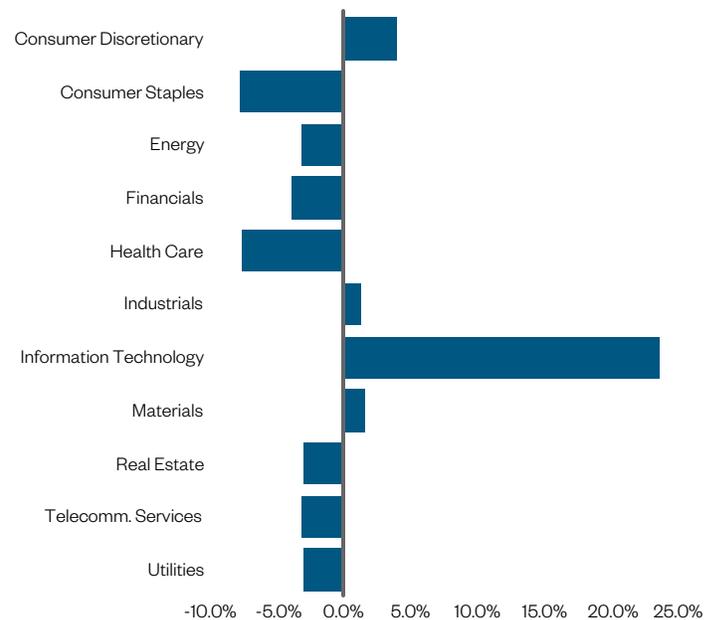
## Regional allocation vs. benchmark weight



## Portfolio exposure by sector



## Sector allocation vs benchmark weight





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## Commentary

The Axiom Concentrated Global Growth Strategy ("Strategy") outperformed the MSCI ACWI Index ("Index") for the fourth quarter and for the year 2017. The Strategy also passed its three year milestone, and is ahead of the benchmark on a net of fee basis since inception.

Global real GDP growth forecasts increased for both 2017 and 2018 to 3.6% and 3.7% respectively as global economies continued to improve during the quarter. Emerging markets are now forecast to grow 5.0% in 2018 versus 2.3% for developed markets. Global inflation forecasts also rose during the quarter to 3.0% bringing the 2018 nominal GDP forecast to 6.7%. The macroeconomic tailwinds helped the global earnings revision ratio of upgrades to downgrades improve, lifting the forecast for 2018 global EPS growth to 15% versus 12% currently for 2017, 2% for 2016 and -4% for 2015. Given the solid economic trends, the US Fed continues to slowly raise interest rates and taper its balance sheet. China has shifted from aggressive stimulus to a balanced approach emphasizing the 'quality' of growth. Europe, and especially Japan, continue to offer broad policy support.

Stock selection was the most significant contributor to returns during the fourth quarter as well as for the full year. Top stocks for the quarter were Komatsu (Japanese construction and mining equipment), Kering (French parent of Gucci and YSL among other top luxury brands), and Amazon (global ecommerce leader). Facebook was our top stock for the year along with Kering and Adobe Systems (global leading provider of digital media software). The largest detractors for the quarter were Kion (German logistics equipment) and Teleperformance (French global leader at outsourced call centers).

All sectors were positive this quarter with consumer discretionary, technology, and financials making the largest contribution. Regionally, Japan, North America and Europe ex-UK were the largest contributors during the quarter. Latin America

was slightly negative. For the year, information technology was by far the best performing sector in the index and Asia-ex-Japan was by far the top performing region with both areas gaining 42% in the benchmark. Axiom was overweight both key areas during the year, and these holdings significantly outperformed the benchmark with our tech holdings rising 54% on average and our Asian holdings rising 60% on average.

Markets seem to be on solid fundamental footing. The global expansion is accelerating and largely synchronous. Corporate earnings trends are strong and the policy environment remains generally favorable. Global market valuations, particularly in the emerging markets, remain attractive. The 2018 MSCI ACWI PE is 16x with the MSCI EM PE at 12x versus the MSCI US PE at 18x. There have been several supportive geopolitical developments. The US passed corporate tax reform providing tailwinds for the world's largest economy, perhaps supporting a higher US market valuation. China and India, the largest emerging markets, have thus far confounded cynics by sustaining economic growth while advancing structural reforms. Europe is successfully navigating Brexit, Greece, and various populist uprisings. North Korea is planning to send athletes to the winter Olympics hosted by South Korea. Market fears now seem focused on inflation, interest rates, and the extended favorable run of low volatility. While we understand and, to a degree, share some of these 'ever-present' concerns, the larger trends appear attractive. Moreover, mutual fund flows, endowment allocation policies, corporate balance sheets, and private equity 'dry-powder' all suggest that many have remained under-invested and might seek to add exposure providing further support. The investment team is collaborating intensively to capitalize on what we view as an attractive environment for stock picking. We are encouraged by the accelerating portfolio forecast earnings growth rate now at 26%, the portfolio PEG ratio of 0.8, net debt ratio of 11% and the historically 'top-quartile' upward earnings revision ratio of 77%.

*The information presented is not definitive investment advice, should not be relied on as such, and should not be viewed as a recommendation by Axiom. The security presented is not representative of all of the securities purchased, sold or held for advisory clients, and it should not be assumed that the investment in the security identified was or will be profitable.*

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## Footnotes and disclaimers

	Composite return (gross of fees)	Composite return (net of fees)	Benchmark Total Return (%)	No. of accounts	Market value (millions)	Total firm assets (millions)	% of firm assets (%)	Internal dispersion (%)	Composite 3-year standard deviation (%)	Benchmark 3-year standard deviation (%)
2017	36.29%	35.43%	23.97%	≤ 5	1534	12,116.0	1.27	N/A	11.11	10.36
2016	-3.09%	-3.46%	7.86%	≤ 5	43.1	9,671.6	0.45	N/A	N/A	N/A
2015	6.71%	6.27%	-2.36%	≤ 5	64.0	8,704.3	0.74	N/A	N/A	N/A
2014	-1.23%	-1.26%	-1.55%	≤ 5	74.1	9,482.3	0.78	N/A	N/A	N/A

Fee schedule: First \$25 million: 0.80%; next \$50 million: 0.70%; next \$150 million: 0.60%; next \$250 million: 0.50%; Balance: 0.30%

**Firm Compliance Statement:** Axiom International Investors LLC (the "Firm") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Axiom has been independently verified for the period September 1, 1998 to September 30, 2017. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Axiom Concentrated Global Growth Equity composite has been examined for the periods December 3, 2014 to September 30, 2017. The verification and performance examination reports are available upon request.

**Definition of the Firm:** The firm is currently defined for GIPS purposes as Axiom International Investors, LLC (the "Firm") is a registered investment advisor under the Investment Act of 1940.

**Policies:** Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance does not predict or guarantee future results.

**Composite Description:** The Concentrated Global Growth Equity strategy (the "Composite") is designed for investors who seek to invest in a broadly diversified portfolio of international equities. Portfolios are invested in companies within the United States and throughout the world. Currencies may be actively managed to reduce portfolio volatility. The Composite represents the performance of all institutional concentrated global growth style fee-paying, discretionary equity accounts, regardless of asset size. The Composite was initiated and created in December 2014. A complete list of composite descriptions is available upon request.

**Benchmark Description:** The benchmark is the MSCI All Country World index, which is designed to measure the equity market performance of developed and emerging markets. The benchmark is calculated on a total return basis with net dividends reinvested, after the deduction of withholdings taxes and is free float-adjusted market cap weighted and unmanaged. FX is based off London 4 P.M. close.

**Reporting Currency:** Valuations are computed and performance is reported in U.S. dollars. FX is based off NY 4 P.M. close.

**Fees:** Gross of fees returns are presented before management and custodial fees but after all trading expenses. Net of fees returns are calculated by deducting the highest fee from the monthly gross composite return which is expressed above in the stated fee schedule. Prior to May 2017, actual fees were used to calculate net of fee performance. Returns include the reinvestment of income. Performance is calculated net of withholding taxes on dividends.

**Internal Dispersion:** Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns of those portfolios that were in the composite for the entire year. If 5 or less accounts, N/A is shown.

**Annualized Standard Deviation:** The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not required for periods prior to 2011. If less than 36 months, N/A is shown as the data is not statistically meaningful.

This may contain forward-looking statements within the meaning of the federal securities laws. Actual results could and likely will differ, sometimes materially, from those projected or anticipated.

We are not undertaking any obligation to update or revise any forward looking statements whether as a result of new information, future events or otherwise. You should not take any statements regarding past trends as a representation that trends or activities will continue in the future. Accordingly, you should not put undue reliance on these statements.

The information contained herein represents neither an offer to sell nor a solicitation of an offer to buy any securities or investment service. This strategy will only be offered through appropriate documents, copies of which may be obtained upon request from ClientRelations@axiom-investors.com. Offers will not be made in any jurisdiction in which the making of an offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. Investors should read applicable materials carefully before making a decision to invest.

**Risks of investing in the strategy:**

**Potential loss of investment:** No guarantee or representation is made that the investment program used by Axiom will be successful. The strategy represents a speculative investment and involves a high degree of risk. An investment in the strategy should be discretionary capital set aside strictly for speculative purposes. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment in the strategy. An investment in the strategy is not suitable for all investors. An investor could lose or a substantial portion of his/her/its investment. Only qualified eligible investors may invest in the strategy. Because of the nature of the trading activities, the results of the strategy's operations may be volatile from month to month and from period to period. Accordingly, investors should understand that past performance is not indicative of future results.

**Fees and expenses:** The strategy may be subject to substantial charges for management, advisory and brokerage fees. It may be necessary for those accounts that are subject to these charges to make substantial trading profits to avoid depletion or exhaustion of their assets.

**Counterparty and bankruptcy risk:** Although Axiom will attempt to limit its transactions to counterparties which are established, well-capitalized and creditworthy, the strategy will be subject to the risk of the inability of counterparties to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes, which could subject the strategy to substantial losses.

**Volatile markets:** Market prices are difficult to predict and are influenced by many factors, including: changes in interest rates, weather conditions, government intervention and changes in national and international political and economic events.

The above summary is not a complete list of the risks, tax considerations and other important disclosures relating to Axiom products or services. Prospective clients should read all disclosure documents provided by Axiom relating to its products or services before engaging Axiom's advisory services.

The Axiom Investors Collective Investment Trust is a trust for the collective investment of assets of participating tax-qualified pension and profit sharing plans and related trusts, and governmental plans as more fully described in the Declaration of Trust. The Axiom Investors Trust is managed by SEI Trust Company, the trustee, based on the investment advice of Axiom Investors, the investment adviser to the trust. As a bank collective trust, the Axiom Investors Trust is exempt from registration as an investment company.