



# Global Equity Strategy

AS OF DECEMBER 31, 2020

## Strategy facts

**Lead Portfolio Manager:** Bradley Amoils

**Co-Portfolio Manager:** Andrew Jacobson, CFA

**Inception:** July 1, 2004

**Firm assets:** \$19.3 B\*

**Strategy assets under management:** \$3.6 B

**Vehicles:** Separate account, commingled fund, CIT\*\* and UCITS

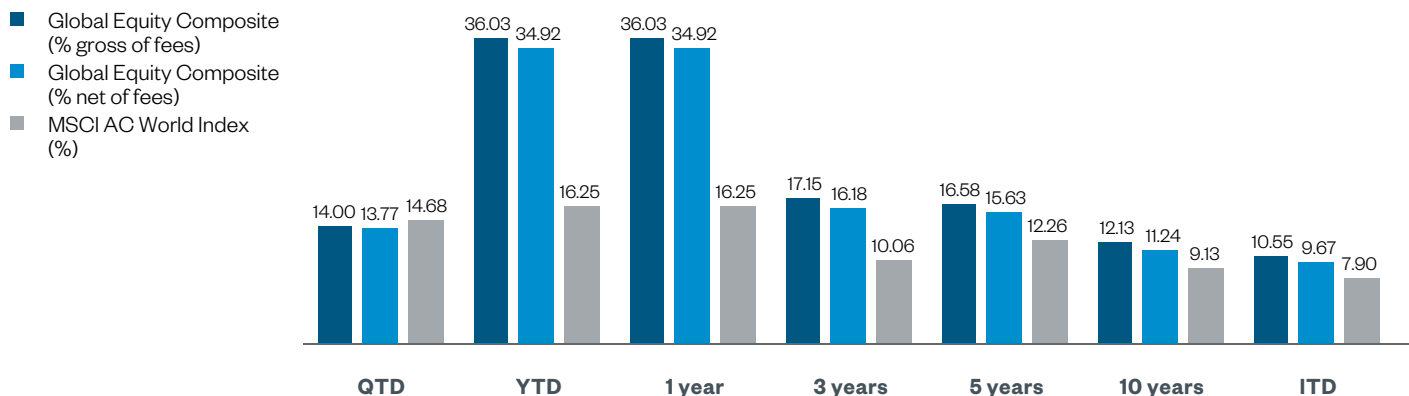
**Benchmark:** MSCI All Country World

## Strategy objectives

Axiom invests in dynamic growth stocks globally. Axiom targets companies whose key business drivers are both improving and exceeding expectations through its disciplined process of data collection, analysis and portfolio construction. Axiom's dynamic growth strategy is implemented by the firm's experienced, stable, and collaborative investment team. The Global Equity strategy concentrates its investments in global developed markets, but may also invest in companies located in emerging markets. The strategy focuses on growing companies undergoing significant change.

## Annualized returns

Performance period: 7/1/04-12/31/20



Past performance is no guarantee of future results.

## Portfolio statistics

	Strategy	Bench.
Holdings	47	2981
Weighted Average Market Cap (\$M)	\$451,152	\$308,210
Liquidity (\$M/Day)	\$3,285	\$1,845
Net Debt/Equity Ratio	29.8	58.3
Price Earnings Ratio (forward)	38.7	19.5
Earnings Growth Rate (forward)	21.3	25.2
PEG Ratio (PE/Growth Rate)	1.8	0.8
Earnings Revisions Up	83%	67%
Earnings Revisions Down	17%	33%

## Portfolio top ten holdings

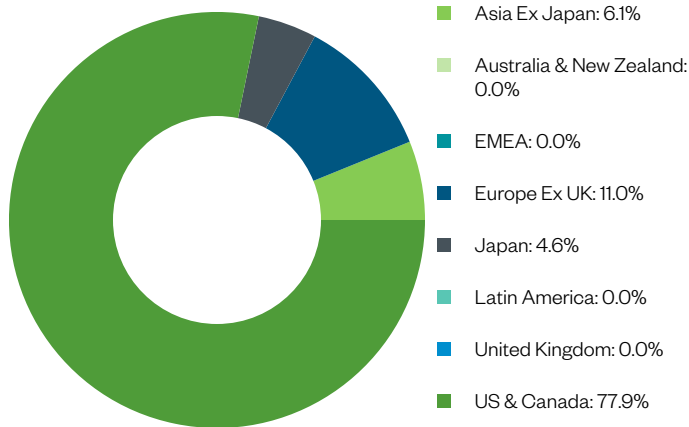
Security	Country	Sector	Strategy	Bench.
Amazon.com	US	Discretionary	5.3%	2.3%
Microsoft	US	Info. Tech.	4.6%	2.7%
Apple	US	Info. Tech.	4.4%	3.8%
RingCentral	US	Info. Tech.	4.0%	0.1%
Adobe	US	Info. Tech.	3.9%	0.4%
Tesla Inc	US	Discretionary	3.7%	0.9%
Facebook	US	Comm. Serv.	3.5%	1.1%
Alphabet	US	Comm. Serv.	3.4%	0.9%
ServiceNow	US	Info. Tech.	3.0%	0.2%
PayPal	US	Info. Tech.	3.0%	0.4%

\*Assets include Assets Under Management (\$18.5B) & Assets Under Advisement (\$0.8B).

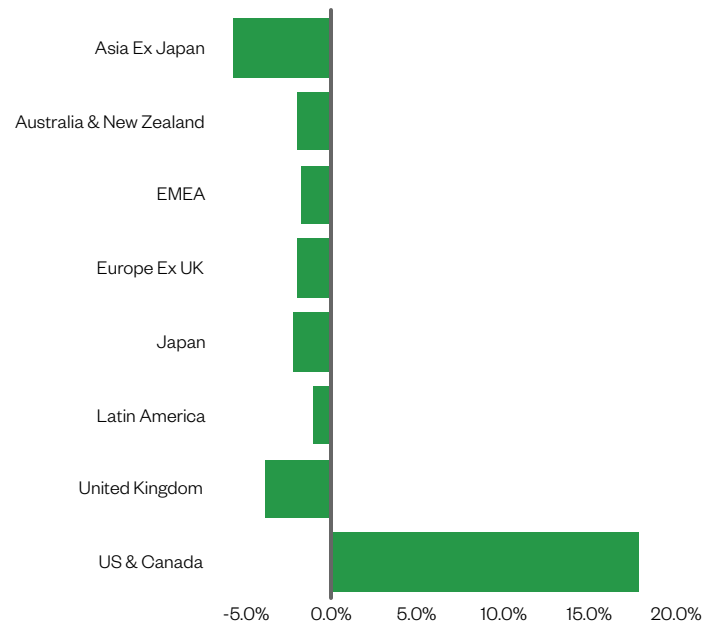
Source: Factset and Axiom. There can be no assurance that the Strategy will continue to hold these positions or that weightings do not change after the as of date stated. Please refer to the attached GIPS compliant presentation for complete performance information.

\*\*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).

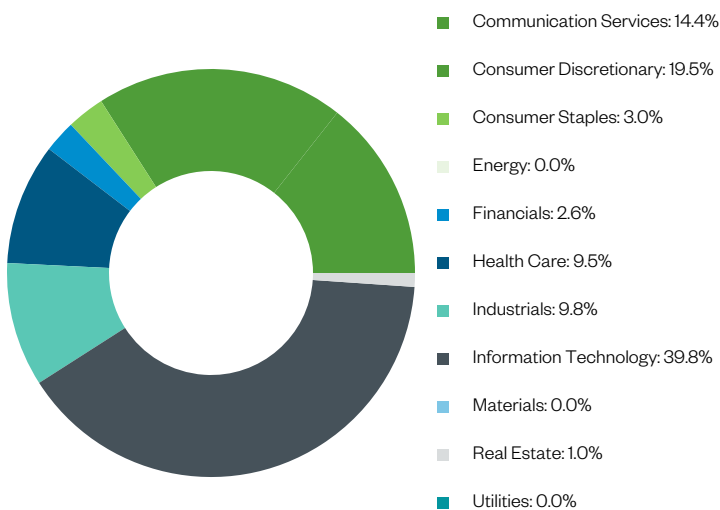
## Portfolio exposure by region



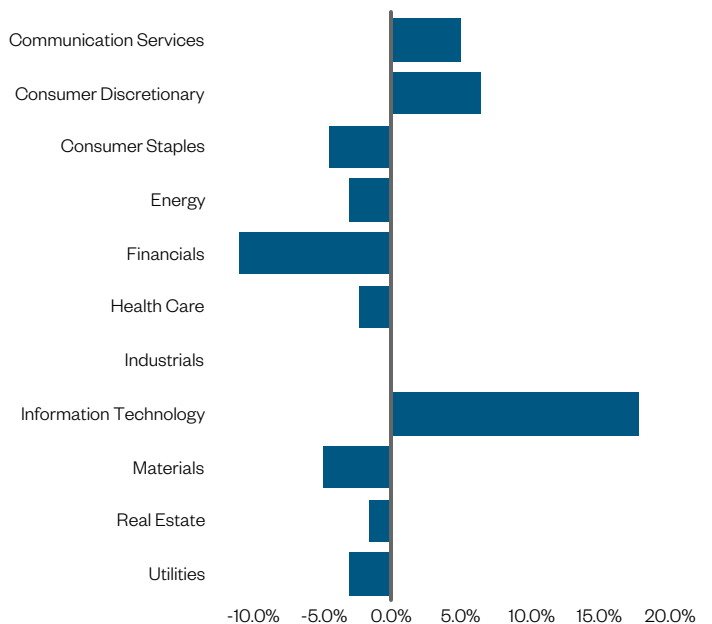
## Regional allocation vs. benchmark weight



## Portfolio exposure by sector



## Sector allocation vs benchmark weight





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## Commentary

During the fourth quarter 2020, the Axiom Global Equity Strategy ("Strategy") underperformed the MSCI ACWI Index ("Index") net of fees. The Strategy strongly outperformed for the calendar year 2020, protecting on the downside during the COVID induced market sell-off early in the year and then participating effectively in the upside during the subsequent market rebound. The Strategy remains ahead of the benchmark on a net of fees basis over the 1-year, 3-year, 5-year, 10-year, and since inception periods.

During the fourth quarter, we saw a 'value rotation' sparked by positive vaccine news and an avoidance of 'tail-risk' scenarios regarding the US election and Brexit. Performance in the emerging markets led the way with a 20% gain this quarter helped along by low rates and the continued US dollar weakness, which fell 7% for the year. The exceptional fiscal and monetary policy in the last nine months is materially greater than what we have seen in the past and continues to create strong tailwinds for global equities. Policy makers, including the US Fed, have recently reiterated their intent to keep policy rates low for an extended period even if inflation shows some signs of picking-up. A record \$18 trillion of global debt now offers negative yields. Despite concerns about a potential uptick in inflation, real rates remain negative and equities continue to appear attractive relative to cash or fixed income. The continued weak labor markets and ongoing impact of the 4 D's (Demographics, Debt, Deglobalization and Disruption) is keeping inflation in check notwithstanding easy monetary and fiscal policy. We discuss these structural headwinds in greater detail in our recent webinar on the 4 D's. Expectations for global growth in 2021 continue to edge higher and now stands at 5.2% also providing solid support for continued performance by global equities.

The Strategy's underperformance in the fourth quarter was driven entirely by allocation effects as the equity markets underwent a sharp rotation to value oriented cyclical stocks in the month of November. This rotation brought outperformance to energy, financials and materials sectors, areas that the Strategy has little to no exposure. Unsurprisingly, these sectors along with health care detracted from performance. On the positive side, the information technology and industrial sectors were the largest contributors to performance, while Tesla, a consumer discretionary sector stock, was the top single stock contributor. RingCentral, a cloud communication provider and highly ranked stock on Axiom's proprietary ratings methodology, regained investor interest after a period of soft performance in the third quarter and drove the Strategy's strong performance in the technology sector. Several positive developments took place for the business in the fourth quarter including a new partnership with Vodafone to add to recent significant partnership announcements with Avaya, Atos and Alcatel-Lucent. Finally, highlighting another prominent rotation in the quarter, CAE Inc, a civil aviation training company whose business was negatively impacted by COVID, has strong share price performance, while Home Depot, a beneficiary of the stay-at-home trend, underperformed. The Strategy maintained a bar-belled approach with continued investment in areas such as ecommerce and home improvement where COVID benefits have potential to be more permanent than the market expects and increased investment in growth oriented consumer areas that can see a sharp recovery as the world exits the pandemic in 2021.

The Strategy also continued to develop investment allocations to clean energy with new positions in Vestas Wind Systems and Generac Holdings along with increased investment in Tesla. Governments across the world have reinvigorated their efforts on environmentally supportive initiatives and actioned this in COVID stimulus packages. Axiom upgraded Tesla's risk rating to B and added to the position following its addition to the S&P 500 and capital raising activity to improve its balance sheet. Vestas is a wind turbine maker that is rated B1 at Axiom and initiated in the Strategy following accelerating order intake especially in Europe and Asia. Wind power has achieved parity with carbon sources in most parts of the world and according to industry experts is on path to generate 25%+ of annual electricity production in the coming decades from a nascent 5% today. Generac, the market leader in back-up power generators, has seen accelerating growth because of a structural uptick in adverse climate events including hurricanes and wildfires. Generac, ranked C2, has opportunities to advance back-up power penetration from 4% in residential markets as well as grow its solar clean energy business.

We continue to believe that investors should focus on global growth equities. Increasing financial returns and accelerating policy support are unfolding across several industries creating significant opportunities for stock selection. One area of growth that we have been adding to across all strategies is 'green tech', including companies enabling renewable and lower-carbon energy as well as the transition to electric vehicles. Many of the global leaders are outside the US, including in emerging markets. While value stocks have benefited from a rebound off the bottom in early November, we suspect this rebound will again prove relatively short-lived in the face of the 4 D's, with each of these structural headwinds having actually intensified as a consequence of COVID. Longer-term investors should take advantage of the market rotation to increase their allocations to dynamic growth stocks.

*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 securities presented are not representative of all of the securities purchased, sold or held for advisory clients, and it should not be assumed that investment in the securities 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 (%)
2020	36.03%	34.92%	16.25%	≤ 5	3,554.8	18,535.9	19.18	N/A	19.40	18.13
2019	32.43%	31.35%	26.60%	≤ 5	2,575.4	13,458.1	19.14	N/A	13.80	11.22
2018	-10.76%	-11.51%	-9.42%	≤ 5	1,535.5	9,729.2	15.78	N/A	12.88	10.48
2017	35.03%	33.97%	23.97%	≤ 5	1,853.3	12,116.0	15.30	N/A	10.96	10.36
2016	-0.82%	-1.61%	7.86%	9	2,829.8	9,671.6	29.26	0.24	11.26	11.06
2015	4.78%	3.95%	-2.36%	10	3,072.8	8,704.3	35.30	0.16	11.19	10.79
2014	1.67%	0.86%	4.16%	11	3,269.7	9,482.3	34.48	0.19	12.08	10.50
2013	27.86%	26.86%	22.80%	13	4,072.2	9,949.8	40.93	0.25	16.30	13.94
2012	19.68%	18.84%	16.13%	16	3,270.0	8,611.6	37.97	0.17	19.76	17.13
2011	-10.52%	-11.17%	-7.35%	19	3,568.0	10,161.2	35.11	0.06	20.98	20.59
2010	15.32%	14.37%	12.67%	18	4,636.3	13,827.6	33.53	0.15	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 December 31, 2020. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Axiom Global Equity composite has had a performance examination for the periods July 1, 2004 to December 31, 2020. 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 investments, calculating performance, and preparing GIPS Reports are available upon request. Past performance does not predict or guarantee future results.

**Composite Description:** The Global 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 located both in the United States and throughout the world. Currencies may be actively managed to reduce portfolio volatility. The Composite represents the performance of all institutional global style fee-paying, discretionary equity accounts, regardless of asset size and comingled fund(s). The Composite was initiated and created in July 2004. A list of composite descriptions, a list of limited distribution pooled fund descriptions, a list of broad distribution pooled funds and performance results are 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.

**Significant Cash Flow Policy:** Accounts with a cash flow greater than 20% of the portfolio market value are excluded for the month.

**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. 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 gross returns and the benchmark returns over the preceding 36-month period. The standard deviation is not required for periods prior to 2011.

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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.

**Reliance on key persons:** The strategy's manager or advisor has total trading authority over the strategy and may be subject to various conflicts of interest. The death, disability or departure of the manager or advisor may have a material effect on the strategy.

**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 information herein is only current as of the date indicated, and may be superseded by subsequent market events or for other reasons.

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.