

# Why Axiom US Small Cap

## Key Advantages

### Experienced team

Lead Portfolio Manager David Kim and Co-Portfolio Manager Matthew Franco created the Axiom US Small Cap Strategy in 2006 and have been working closely together for over 16 years with significant co-investment in the Strategy.

### Straight forward, repeatable process

Axiom's dynamic growth investment process focuses on positive change, identifying operational inflections and unique company insights resulting in investable dynamic gaps between Axiom's fundamental research and market expectations.

### Differentiated

A global view of U.S. small capitalization companies is critical today as these companies broadly derive more than 20% of their revenues from outside the United States. Axiom's successful 25+ year track record of global growth investing and 30 person fundamental research team uniquely supports the Strategy.

## Why Axiom US Small Cap now?

- Active stock selection is critical: more than 40% of the Russell 2000 Growth Index constituents are not expected to be profitable during the current calendar year and small cap balance sheet leverage ratios remain at historically elevated levels. Higher quality small cap companies trade at a valuation discount to lower quality peers, creating a unique opportunity for fundamental investment as small cap relative valuations versus large cap companies remain attractive.
- Innovation: We remain in a period of exciting innovation, benefiting small capitalization companies in areas undergoing positive change including, SaaS/cloud computing, digital transformation, cyber security, eCommerce, data analytics/AI, DNA sequencing, gene therapy, medical technology, and industrial automation.
- There continues to be a compelling investable universe of small capitalization companies exhibiting growth, innovation and business performance that are tracking ahead of market expectations where valuations and balance sheets are attractive. In the current macroeconomic growth environment, we continue to believe these higher growth companies remain a differentiated and compelling area of investment.

## Portfolio Statistics

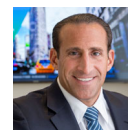
As of 9/30/2021

	Strategy	Benchmark
<b>Holdings</b>	50	1226
<b>Market Cap (\$B)</b>	5.8	3.8
<b>Liquidity (\$M/Day)</b>	42	38
<b>Net Debt/Equity Ratio</b>	5.1	29.4
<b>Price Earnings Ratio</b>	28.4	19.7
<b>Earnings Growth Rate</b>	32.0	31.2
<b>PEG Ratio (PE/Growth Rate)</b>	0.9	0.6

## Portfolio Managers



**David Kim, CFA**  
Lead Portfolio Manager  
24 years of experience



**Matt Franco, CFA**  
Co-Portfolio Manager  
26 years of experience

## Strategy Facts

### Inception

September 1, 2006

### Benchmark

Russell 2000 Growth

### Vehicles

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

### Firm Assets

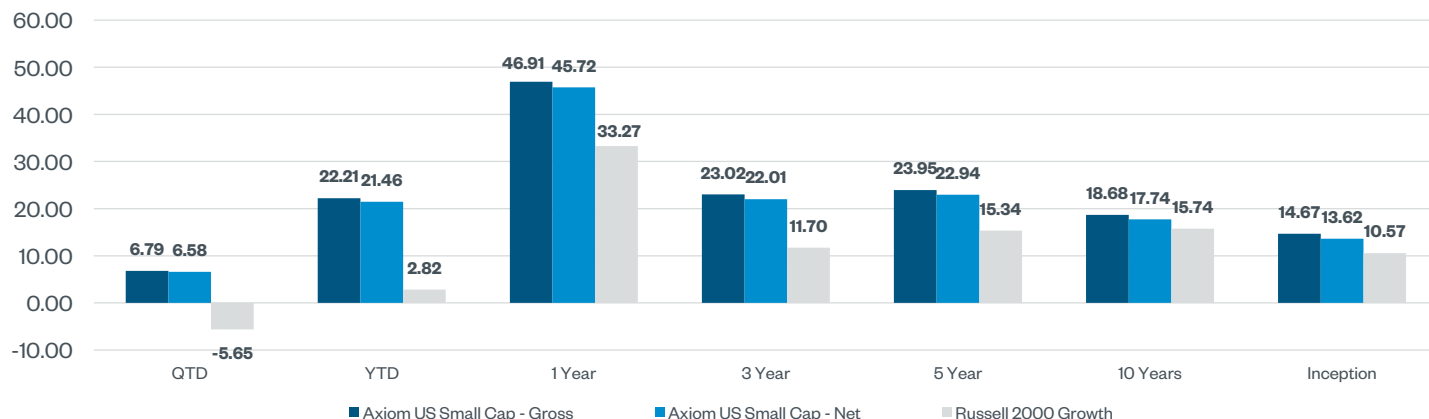
\$19.4B\*

### Strategy Assets

\$366M

## Annualized Returns (%)

As of 9/30/2021



\*Assets include Assets Under Management (\$18.6B) & Assets Under Advisement (\$0.7B).

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).



## 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 (%)
<b>YTD 2021</b>	22.21%	21.46%	2.82%	≤5	247.0	18,649.8	1.32	N/A	20.39	25.30
<b>2020</b>	48.98%	47.77%	34.63%	≤5	242.7	18,535.9	1.31	N/A	20.74	25.10
<b>2019</b>	30.87%	29.80%	28.48%	≤5	204.3	13,458.1	1.52	N/A	15.67	16.37
<b>2018</b>	-2.70%	-3.51%	-9.31%	≤5	208.0	9,729.2	2.14	N/A	15.73	16.46
<b>2017</b>	21.02%	20.04%	22.17%	≤5	363.1	12,116.0	3.00	N/A	12.56	14.59
<b>2016</b>	5.52%	4.68%	11.32%	≤5	282.4	9,671.6	2.92	N/A	14.23	16.67
<b>2015</b>	-2.73%	-3.50%	-1.38%	≤5	44.2	8,704.3	0.51	N/A	14.37	14.95
<b>2014</b>	1.11%	0.31%	5.60%	≤5	101.7	9,482.3	1.07	N/A	13.14	13.82
<b>2013</b>	54.36%	53.17%	43.30%	≤5	103.7	9,949.8	1.04	N/A	14.65	17.27
<b>2012</b>	10.26%	9.47%	14.59%	≤5	78.0	8,611.6	0.91	N/A	17.68	20.72
<b>2011</b>	5.82%	4.91%	-2.91%	≤5	1.9	10,161.2	0.02	N/A	20.31	24.31

**Fee schedule: First \$10 million: 0.80%; next \$15 million: 0.75%; Balance: 0.70%**

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 June 30, 2021. 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 US Small Cap Equity – IPO Eligible composite has had a performance examination for the periods September 1, 2006 to June 30, 2021. 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 US Small Cap Equity - IPO Eligible strategy (the "Composite") is designed for investors who seek to invest in a broadly diversified portfolio of small cap equities. Portfolios are invested in smaller capitalization equity and equity-related securities in companies located within the United States. Currencies may be actively managed to reduce portfolio volatility. The Composite represents the performance of all Institutional small cap style fee-paying, discretionary equity accounts, regardless of asset size and comingled fund(s) that are eligible to invest in Initial Public Offerings. The Composite was initiated and created in September 2006. 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 Russell 2000 Growth index, which is designed to measure the performance of the small cap growth segment of the U.S. equity universe. The benchmark is calculated on a total return basis and is free float-adjusted market cap weighted and unmanaged.

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.

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. The fee schedule for the Axiom U.S. Small Cap Equity Portfolio, which is included in the US Small Cap Equity Composite – IPO Eligible is listed above. The total expense ratio as of December 31, 2020 was 0.61%. The Axiom U.S. Small Cap Equity Trust CIT, which is also included in the composite has an all-in fee (management fees & expenses) of 0.70%. 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. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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.