



## **Firm Brochure**

(Part 2A of Form ADV)

**Axiom Investors LLC**  
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This brochure (the “Brochure”) provides information about the qualifications and business practices of Axiom Investors LLC (“Axiom”). If you have any questions about the contents of this Brochure, please contact us at: 203-422-8000, or by email at:

[compliancegroup@axiom-investors.com](mailto:compliancegroup@axiom-investors.com)

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”), or by any state securities authority.

Additional information about Axiom is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

March 27, 2024

Axiom Investors LLC

## **Item 2: Material Changes**

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### **Annual Update**

Pursuant to SEC requirements and rules, Axiom will make available a summary of any material changes to this Brochure and any subsequent brochure within 120 days of its fiscal year end. Additionally, Axiom may further provide other ongoing disclosure information about material changes as necessary.

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### **Material Changes since the Last Update**

There have been no material changes since the last update.

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of the Brochure, please contact us by telephone at: 203-422-8000 or by email at: [InvestorServices@axiom-investors.com](mailto:InvestorServices@axiom-investors.com).

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## Item 4: Advisory Business

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### Firm Description

Axiom Investors LLC (“Axiom”) was formed on September 1, 1998, as an independent investment advisor by Andrew Jacobson. From its origins in 1998 as an investment advisor specializing in managing international equity portfolios, Axiom Investors has evolved into the global investment management firm it is today. Axiom manages international, global, small cap, and emerging market equities on behalf of our global institutional clients. Axiom has been 100% employee-owned and has been registered as an investment advisor with United States Securities and Exchange Commission (the “SEC”) since inception. Axiom is the operating subsidiary of Axiom Investors, L.P., the principal owner of which is Andrew Jacobson. Axiom conducts its business as “Axiom Investors”.

Axiom seeks to consistently provide top-tier investment performance by implementing a common investment philosophy and process consistently across all strategies while monitoring its growth levels to ensure that Axiom meets its objectives. Axiom seeks to build long-term client partnerships with sophisticated investors around the world. Our client base is primarily institutional and includes pension plans, government entities, financial institutions, endowments and foundations.

Axiom provides discretionary investment advice to clients and investors through (i) institutional separate accounts, (ii) collective investment vehicles sponsored by Axiom (the “Funds”), (iii) model/unified managed accounts (UMAs), (iv) sub-advised registered mutual funds and (v) one or more UCITS funds for Non-U.S. investors (collectively “Clients”). As of February 29, 2024, net assets under management approximated \$21.4 billion United States dollars. All assets are managed on a discretionary basis.

Axiom specializes in equity related strategies. These equity related strategies include international equity, global equity, emerging markets equity, international small/micro-cap equity, international small cap equity, global small cap equity, global small/micro-cap equity, U.S. small cap equity, emerging markets world equity, and concentrated global growth equity.

The investments of each Fund are managed in accordance with their stated investment objectives and strategies and are not tailored to any particular investor in the Funds. The investments for each separate account are managed in accordance with a Client’s investment objectives and various restrictions and limitations, including restrictions on investing in certain securities or types of securities, as negotiated with or provided by such Client or its representatives.

## Item 5: Fees and Compensation

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### Description

The advisory fees paid to Axiom by Clients for advisory services vary depending on the investment strategy utilized and the type of Client. The current standard fee schedule with respect to the new investments is set forth below.

International Equity Long Only Portfolios and Axiom International Equity Fund II:

0.85% per annum of assets on the first \$25 million  
0.75% of assets over \$25 million

Global Equity Long Only Portfolios:

0.80% on the first \$25 Million  
0.70% on the next \$50 Million  
0.60% on the next \$150 Million

0.50% on the next \$250 Million  
0.30% on the balance

Emerging Markets Long Only Portfolios:

1.00% per annum of assets on the first \$25 million  
0.90% of assets on the next \$75 million  
0.80% of assets on the next \$25 million  
0.70% of assets on the next \$50 million  
0.60% of assets on the balance

U.S. Small Cap Portfolios:

0.80% per annum of assets on the first \$10 million  
0.75% of assets on the next \$15 million  
0.70% of assets on the balance

International Small Cap Equity Long Only Portfolios:

0.95% per annum of assets on the first \$25 million  
0.85% of assets on the next \$75 million  
0.75% of assets on the balance

Global Small Cap Equity Long Only Portfolios:

0.95% per annum of assets on the first \$25 million  
0.85% of assets on the next \$75 million  
0.75% of assets on the balance

Emerging Markets World Portfolios:

1.00% per annum of assets on the first \$25 million  
0.90% of assets on the next \$75 million  
0.80% of assets on the next \$25 million  
0.70% of assets on the next \$50 million  
0.60% of assets on the balance

Concentrated Global Growth Portfolios:

0.80% per annum of assets on the first \$25 million  
0.70% of assets on the next \$50 million  
0.60% of assets on the next \$150 million  
0.50% of assets on the next \$250 million  
0.30% of assets on the balance

Axiom International Opportunity Fund, L.P., Axiom Offshore Opportunity Fund, Ltd. current schedule:

1.00% per annum  
Up to a 10% performance fee or allocation, subject to a high-water mark, all payable quarterly in arrears.

Axiom International Small/Micro Cap Opportunity Fund, L.P., Axiom Global Small/Micro Cap Opportunity Fund, L.P. current schedule:

1.75% per annum  
Up to a 20% performance fee or allocation, subject to a high-water mark, all payable quarterly in arrears.

All management and performance fees/allocations paid by Clients are accrued on a monthly basis and paid quarterly. Some separate account Clients may pay management fees on a monthly basis. Some separate account Clients may pay performance fees on an annual basis.

While management and performance fees/allocations paid with respect to investments in the Funds are generally non-negotiable, Axiom may agree to execute “side letters” with certain investors in each Fund. The management fees paid to Axiom by separate account Clients and sub-advised Clients are separately negotiated and detailed in each Client’s investment management or advisory agreement. Axiom will consider performance-based fees and may negotiate different fee arrangements for certain clients including, without limitation, sub-advisory relationships and charitable institutions.

In addition to management and performance fees/allocations paid to Axiom by Clients, Clients may incur brokerage, custody, borrowing costs (“hedge fund” Clients only), administration, professional (audit and legal) and other miscellaneous expenses.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

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### **Performance-Based Fees**

Axiom may enter into performance fee arrangements with Fund Clients. Such fees generally entitle Axiom or an affiliate to a percentage of the profits of the applicable Fund, subject to any high-water mark treatment or benchmark outperformance. Axiom will consider performance-based fees for certain “long only” separate accounts. Axiom has existing performance fee arrangements with some institutional and fund type clients. Performance based fee arrangements may create an incentive for Axiom to recommend investments that could be riskier or more speculative than those that would be recommended under different fee arrangements. Please see the responses to Item 5 above.

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### **Side-By-Side Management**

Axiom provides advisory services to Clients that are charged a performance-based fee and others that are only charged management fees as described in Item 5 above. Performance-based fee arrangements with certain Clients may create an incentive for Axiom to favor those Clients over other Clients in the allocation of investment opportunities. Axiom has implemented policies and procedures designed to address a variety of conflicts that may arise from managing multiple accounts on a side-by-side basis, including, without limitation, conflicts that may arise from the purchase or sale of the same securities for more than one Client and transactions between Clients. Please see the responses to Item 12 regarding trade aggregation and allocation of investment opportunities and Item 11 regarding cross trading transactions.

## **Item 7: Types of Clients**

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### **Description**

Axiom’s services are provided primarily to institutional investors. Investors in the Funds and Clients typically include corporations, foundations, endowments, pension plans, investment companies, government entities, charitable organizations, insurance companies, sovereign wealth funds and banking institutions. Axiom’s services are offered through separately managed accounts, UMAs, and a variety of collective investment vehicles including but not limited to private funds, collective investment trusts and UCITS.

For each UMA, the applicable Client pays Axiom a fee for providing recommendations regarding the purchase or sale of specific securities. Axiom's recommendations are used by the Client to manage the UMA, however, decisions regarding the timing and scale of purchases/sales are those of the Client, not Axiom. Accordingly, Axiom does not implement the investment decisions for, or have trading authority over the UMA accounts.

Minimum account sizes vary by Fund or strategy.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

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### **Methods of Analysis**

Axiom utilizes a consistent, firm-wide, dynamic growth philosophy and process that is fundamental and based on bottom-up stock selection. Our dynamic growth philosophy can be characterized as the intersection of three key elements, with the most important being positive change. Rather than focusing on backward looking financial metrics, we take a forward-looking approach to identifying potential inflections in an enterprise's key operational catalysts that could ultimately impact medium-term earnings projections. Key drivers are defined broadly to include a wide variety of factors that could have a significant impact on the short-term and long-term financial performance of the enterprise. Fundamental factors considered by Axiom include company specific factors, industry factors, secular trends, macroeconomic factors and country factors.

The most attractive companies within our framework will have (1) positive fundamental changes occurring in the context of (2) sustainable earnings growth creating natural compounding performance tailwinds, and (3) an attractive valuation providing both upside potential and risk control benefits. Valuation is an integral consideration in the investment process. Axiom considers a company's valuation to help assess the level of expectations for that company's fundamental progress and ensure that Axiom is not overpaying for the growth. Our highest conviction holdings will be viewed as having forward looking key business drivers that are growing and changing for the better, more rapidly than generally expected, and where those positive changes are not yet reflected in expectations or valuations.

Two key components of both the investment recommendation as well as the ongoing monitoring of portfolio holdings are: (i) a summary model that captures both the consensus expectations as well as the most recent actual data for the key business drivers of the enterprise; and (ii) a ranking worksheet that summarizes a variety of fundamental and statistical data in order to help calibrate the attractiveness of a particular company relative to alternative portfolio holdings. The sources of research are publicly available, such as news items, company meetings, sell-side analyst data, etc.

### **Environmental, Social and Governance (ESG) Considerations**

Axiom holistically integrates environmental, social, and governance (ESG) considerations into our investment process, organizational structure, and firm culture. Axiom is an investor-led, performance-driven partnership implementing a differentiated fundamental, bottom-up, dynamic growth investment philosophy across the entire organization. As fiduciaries, investors, and responsible stewards of our clients' capital, we construct portfolios of dynamic growth companies designed to meet our clients' needs and deliver sustained, risk-adjusted performance over the medium-to longer term.

Axiom recognizes that the term "ESG" is not uniformly defined across the investment industry. Investment managers may apply ESG factors in different ways, and the role those factors play in investment decisions also varies. In some instances, Axiom has agreed to apply client directed ESG screens and/or ESG focused restricted lists to client accounts. This may result in different holdings for those clients, even within the same investment strategy.



Making investing decisions that emphasize ESG factors carries the risk that, under certain market conditions, the strategy may underperform those that do not integrate such factors explicitly into the decision-making process. Like any aspect of investment analysis, there is no guarantee that an investment strategy that considers ESG factors will result in performance better than or equal to strategies that do not consider such factors.

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## **Investment Strategies**

The following sets forth the general investment strategies offered by Axiom Investors LLC. Similar investment strategies are available to separate account Clients, subject to any particular investment guidelines agreed upon with a Client.

### **International Equity**

The International Equity Strategy seeks long term compounding by focusing its investments in non-US developed markets as well as investments deriving significant revenues or growth from non-US markets, and may also invest in companies located in the emerging markets.

### **Global Equity**

The Global Equity Strategy seeks long term compounding by focusing its investments in global developed markets and may also invest in companies located in emerging markets.

### **Emerging Markets Equity**

The Emerging Markets Equity Strategy seeks long term compounding by focusing its investments in emerging markets.

### **U.S. Small Cap Equity**

The US Small Cap Equity Strategy seeks to compound long term returns by focusing its investments in US small capitalization companies.

### **International Small Cap Equity**

The International Small Cap Equity Strategy seeks long term compounding by focusing its investments in smaller capitalization companies in non-US developed markets and may also invest in companies located in emerging markets.

### **Global Small Cap Equity**

The Global Small Cap Equity Strategy seeks long term compounding by focusing its investments in smaller capitalization companies in global developed markets and may also invest in companies located in emerging markets.

### **Emerging Markets World Equity**

The Emerging Markets World Equity Strategy seeks long term compounding by focusing its investments in emerging market countries or companies that derive a majority of their revenues or assets from emerging market countries.

## **Concentrated Global Growth Equity**

The Concentrated Global Growth Equity Strategy seeks long term compounding by focusing its investments into a concentrated portfolio of the most dynamic global growth opportunities.

**International Opportunity Strategy** The International Opportunity Strategy seeks long term compounding by focusing its investments in non-US developed markets as well as investments deriving significant revenues or growth from non-US markets and may also invest in companies located in the emerging markets. The strategy may hedge currencies, utilize leverage, and utilize short-sales of equity securities of primarily non-US companies and indices.

## **International Small/Micro Cap Opportunity Strategy**

The International Small/Micro Cap Opportunity Strategy seeks long term compounding by focusing its investments on smaller capitalization companies in non-US developed markets as well as investments deriving significant revenues or growth from non-US markets and may also invest in companies located in the emerging markets. The strategy may hedge currencies, utilize leverage, and utilize short-sales of equity securities of primarily non-US companies and indices.

## **Global Small/Micro Cap Opportunity Strategy**

The Global Small/Micro Cap Opportunity Strategy seeks long term compounding by focusing its investments on smaller capitalization companies in global developed markets and may also invest in companies located in the emerging markets. The strategy may hedge currencies, utilize leverage, and utilize short-sales of equity securities of primarily non-US companies and indices.

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## **Risk of Loss**

Investments in securities involve a risk of loss that Clients and Fund investors should be prepared to bear. There can be no assurance that a Client's investment objective can be achieved. The primary risks inherent in the equity strategies for Funds and other Clients are as follows:

1. **Market Risk** –the risk that the value of an investment will fluctuate as a result of changes in market price. This may be systematic market risk or specific individual investment market risk.
2. **Currency Risk** – Clients may hold assets denominated in currencies other than United States dollars. These investments are exposed to currency risk, as the value of the securities denominated in other currencies may fluctuate due to changes in exchange rates.
3. **Liquidity Risk** – at times equity markets may be subject to liquidity events that would preclude the timely liquidation of securities to meet cash needs.
4. **Credit Risk** – the risk that a counterparty will be unable to pay amounts in full when due.
5. **Frequent Trading** - frequent trading of securities can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.
6. **International/Emerging Market Securities** - investments in securities of foreign issuers and securities traded principally in markets outside the United States involve special risks due to foreign economic, political and legal developments.
7. **Small and Micro-Capitalization Securities** - small and micro-capitalization companies often experience greater price volatility, lower trading volume and less liquidity than larger, more established companies.
8. **Derivatives/Hedging** – derivatives used to hedge various market risks, to manage the effective maturity or duration of fixed income securities or exposure to various equity and

other markets impose costs and involve risks, such as heightened counterparty risks, lack of liquidity, ineffectiveness of hedging in a particular situation, and the possible accentuation of losses or reductions in gains of the underlying securities.

9. General Economic and Market Conditions - General economic, market conditions or events throughout the world that are outside of the control of Axiom, including but not limited to changes in interest rates, availability of credit for public and private borrowing, public market volatility, inflation rates, economic uncertainty, industry conditions, competition, technological developments, changes in laws (including laws relating to taxation), trade barriers, commodity prices, currency exchange rates and controls and national and international political circumstances (including wars, terrorist acts or security operations) may adversely affect the client's investment.
10. Systemic Risk - Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions.
11. Risk of Investing in Equity Securities Generally - The client's investment portfolio includes equity and equity-related securities. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies.

For a description of the risks relating to any Fund please refer to the private placement memorandum or offering memorandum for that Fund.

Axiom has implemented various diversification, liquidity and credit monitoring policies and procedures to attempt to mitigate some of the above risks.

## **Item 9: Disciplinary Information**

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### **Legal and Disciplinary**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the investment adviser or the integrity of its management. Axiom has no disciplinary matters required to be disclosed under this Item.

## **Item 10: Other Financial Industry Activities and Affiliations**

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### **Other Financial Industry Activities**

A registered investment adviser is required to disclose whether it or any of its management persons are registered, or have an application pending to register, as a (A) broker-dealer or a registered representative of a broker-dealer, or (B) futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. Neither Axiom nor any of its management persons are registered as such or have any application for such registration pending.

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### **Material Relationships and Arrangements**

Axiom serves in a general partner or equivalent role for each of the entities listed below.

1. Axiom International Equity Fund II
2. Axiom Emerging Markets Equity Fund

3. Axiom Emerging Markets World Equity Fund
4. Axiom US Small Cap Equity Portfolio
5. Axiom International Small-Cap Equity Fund
6. Axiom Concentrated Global Growth Equity Fund
7. Axiom International Opportunity Fund, L.P.
8. Axiom Offshore Opportunity Fund, Ltd.
9. Axiom International Small/Micro-Cap Opportunity Fund, L.P.
10. Axiom Global Small/Micro-Cap Equity Opportunity Fund, L.P.
11. Axiom Advisors LLC
12. Axiom Offshore GP Ltd.
13. Axiom Investors LP

Axiom Advisors LLC, a Delaware limited liability company, serves as the administrative general partner for Axiom International Opportunity Fund, L.P.

Axiom Offshore GP Ltd, a Cayman Islands corporation, serves as general partner of Axiom Offshore Opportunity Fund, Ltd.

Axiom serves as the Investment Manager of Axiom Investors ICAV (an Irish collective asset management vehicle), and certain individuals affiliated with Axiom serve on its Board of Directors.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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### **Code of Ethics**

Axiom maintains a Code of Ethics that provides all employees, members, managers and officers (“Access Persons”) with guidance on proper conduct in fulfilling their obligations as fiduciaries to clients of Axiom, and in complying with SEC rules. The Code of Ethics stresses the importance of avoiding activities, interests and relationships that might interfere with making decisions in the best interests of the clients of Axiom. Access Persons are reminded that they must at all times (1) place the interests of advisory clients first, (2) conduct all personal securities transactions in full compliance with the Code of Ethics, including all pre-trade clearance and reporting requirements, and holding period requirements, and (3) avoid taking inappropriate advantage of their position.

The Code of Ethics also requires Access Persons to make certain disclosures regarding their trading and personal portfolios and requires employees obtain pre clearance to participate in private placements and new issues. A primary purpose of requiring preclearance of IPO investments and private placements is to prevent an Axiom employee from investing in IPO Securities or private placements in circumstances that could disadvantage Axiom or its Clients (for example, if the investment opportunity should be reserved for Axiom Clients).

Axiom’s Code of Ethics is administered and enforced by its Chief Compliance Officer (the “CCO”).

Axiom will provide a copy of its Code of Ethics to any Client or prospective client upon request.

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### **Participation or Interest in Client Transactions and Personal Trading**

Axiom, as the direct or indirect general partner of certain Funds, and its employees may participate or invest in the Funds and receive a portion of the performance fees/allocations paid to Axiom by the Funds. On occasion, Axiom’s personnel may also buy or sell securities for their personal accounts that have been or will be recommended to Axiom’s Funds or Clients. All personal trades

must be in compliance with Axiom's Code of Ethics, including all pre-trade clearance and reporting requirements.

Axiom may from time to time solicit clients to invest in Funds.

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## **Conflicts of Interest**

Axiom has implemented policies and procedures relating to, among other things personal trading and insider trading, that are designed to prevent the "front-running" of Client trades, the favoring of employees and other actual conflicts of interest that may arise from Axiom recommending to Clients, or buying or selling for Clients, securities in which Axiom or an employee has an interest.

It is Axiom's policy to not engage in transactions with its Clients as a principal. Axiom may arrange for the sale or purchase of a security at the then applicable market price between two Clients through the use of an independent broker dealer subject to applicable laws or contracts.

## **Item 12: Brokerage Practices**

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### **Selecting Brokerage Firms**

Axiom selects brokers based on a variety of factors, including price, expertise, and willingness to handle large block transactions, the ability to accumulate positions in traded, smaller capitalization securities, execution ability, confidentiality, clearing capabilities, reliability and financial responsibility. Axiom's primary objective in the selection of executing brokers is to obtain the best combination of price and execution in the market or markets involved. Transaction charges, including principal mark ups and mark downs, being a component of price, are also considered as a factor. Commission rates vary by country. Axiom seeks to negotiate favorable commission rates on an ongoing basis with brokers in a particular country or geographic region. In selecting brokers, Axiom also considers whether the broker provides support to the investment decision making process by making available products and services that directly assist Axiom's investment decision-making process.

#### *Best Execution*

As an investment adviser with the authority to place client trades, Axiom has a general fiduciary obligation to seek best execution for its Funds and Clients. The SEC generally describes best execution as a duty to execute securities transactions so that a client's total cost or proceeds in each transaction are the most favorable under the circumstances. The duty begins with a requirement that an adviser should obtain the best price available for the securities in each transaction. After determining best price, an adviser is not necessarily required to obtain the lowest possible commissions but may instead consider qualitative factors such as the broker's order expertise, reputation, facilities and access to a particular trading market.

Axiom monitors the quality of trade execution on an ongoing basis through communications by and among Portfolio Managers and Trading Department.

Axiom's Trading Department, Portfolio Managers and research analysts conduct reviews of brokerage trade execution at least semi-annually. In conducting these reviews, Axiom considers information regarding the quality of trade execution, service, corporate access, and research quality on the spreadsheet prepared from the daily trade blotter and any other information. Based on these reviews and also the results of the semi-annual broker vote, each of the brokers is ranked based on the quality of execution. The reviews are documented and copies are provided to the CCO and CEO. Axiom uses trade cost analysis software to review post trade execution statistics.

Axiom executes foreign exchange ("FX") transactions in developed markets and/or in all unrestricted currency markets on behalf of all its commingled funds and the majority of its separately managed accounts. Axiom conducts these FX transactions because it believes it is able to achieve, more timely, responsive, and cost effective execution than other counterparties. In

some instances for separately managed accounts, the client chooses or is required by foreign laws and regulations to have the custodian execute all FX transactions for the account. In restricted currency markets for all accounts (e.g., Indonesia, South Korea, and Taiwan) where Axiom is prohibited by local law from executing FX trades on behalf of its clients, entities other than Axiom, typically the custodian, execute FX trades for Axiom's clients.

Axiom periodically reviews the FX execution quality for both the unrestricted market FX transactions executed by Axiom and the restricted market FX transactions executed by the custodian banks.

#### *Directed Brokerage*

Unless Clients give Axiom specific directions to the contrary, Axiom will select brokers through whom trades are executed. Clients may request that Axiom direct specific amounts of brokerage to a particular broker-dealer in connection with services rendered by those broker-dealers directly to the Client. Any Client directed brokerage instructions shall be in writing. Clients that provide directed brokerage instructions to Axiom must be aware that such arrangements may cause them to give up benefits of better pricing or lower commission that might otherwise be available through participation in bunched orders, resulting in added costs for the Client.

#### *Soft Dollars*

Axiom selects brokers to execute purchase and sale transactions for its Funds and Clients based on a variety of factors, including price, the ability of the brokers to effect the transactions, the broker's facilities, reliability and financial responsibility.

Axiom has adopted policies and procedures pursuant to which it may acquire brokerage and research products and services through the use of commissions or "soft dollars," to the extent permitted within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934 and related SEC guidance ("Eligible Purposes"). Section 28(e) allows an adviser to cause client accounts to pay a commission higher than the commission another broker or dealer would have charged if the adviser determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research products and services provided by such broker-dealer. Brokerage and research services obtained by Axiom with soft dollars may include, among other things, research concerning market, economic and financial data, a particular aspect of economics or on the economy in general, statistical information, data or pricing regarding securities, financial publications, electronic market quotations, performance analytics, analyses concerning specific securities, companies, industries or sectors and market, economic and financial studies and forecasts.

The receipt of research and brokerage services in exchange for soft dollars benefits Axiom as it permits Axiom to obtain research and other services at no cost to Axiom. Accordingly, Axiom may have an incentive to select or recommend a broker-dealer based on Axiom's interest in receiving research and brokerage services, rather than on its Clients' interest in receiving most favorable execution.

Axiom recognizes the conflicts of interest inherent in the receipt of soft dollars benefits. When utilizing soft dollars for any trades, Axiom continues to ensure that all trading is done consistently with its best execution policies and procedures and all soft dollars are spent on Eligible Purposes. Further, Axiom's soft dollar arrangements are reviewed on an ongoing basis by the CCO to ensure compliance with Section 28(e). On an annual basis, all services are reviewed by Axiom's CCO to determine if those services should be renewed for the next year. Any services that have the capacity to be used both for eligible purposes and other purposes are designated as mixed use products and calculations are done to ensure that only the portion of the overall expense attributable to the eligible purposes is paid through soft dollars, with Axiom paying for the non-eligible portion out of its own "hard dollar" asset.

Certain clients may be subject to non-US regulations that are inconsistent with standard trading practices in the United States. For example, recent revisions to the EU Markets in Financial Instruments Directive ("MiFID") and related regulations limit adviser's ability to receive research products and services from executing brokers. While Axiom is not directly subject to these

regulations, it may adjust its standard trading practices on a case-by-case basis to accommodate compliance with MiFID and other non-US regulations by its clients. These accommodations may include non-participation in the generation of soft-dollar credits. For clients required to adhere to MiFID and certain other separately managed account clients that have elected to opt-out of soft dollar generation, Axiom will execute trades at execution only commission rates.

Soft dollars benefits received by Axiom are used to service all of Axiom's Clients, including those Clients that do not participate in generating soft dollar credits. However, soft dollars benefits may not be used for the benefit of each and every Client, and brokerage commissions paid by one Client may be used to pay for research or other products or services that may not be used to service that Client. Axiom does not typically attempt to allocate the relative costs or benefits of soft dollars among Clients as the research and brokerage services it receives benefits all Clients and assists Axiom in its investment decision making process.

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## **Aggregation**

As an adviser to multiple Clients with similar strategies and as a result of Axiom's investment approach, Axiom typically purchases or sells the same securities for more than one Client at the same time. In determining whether or not a Client will participate in the purchase or sale of a particular security, Axiom may consider among other factors, the investment objective, guidelines and restrictions applicable to such Client and such Client's investment horizon, risk tolerance, liquidity requirements and any regulatory restrictions.

Axiom maintains an allocation policy to allocate the purchases and sales of securities suitable for two or more Clients or any order that is only partially filled on a fair and equitable basis. The policy is designed to ensure that all Clients within a particular investment strategy are treated fairly and have equal access to suitable investment opportunities. The CCO reviews allocations periodically to ensure that all Clients are treated fairly. Additionally, monthly performance reviews are performed for Clients with similar strategies to determine that similar rates of return are attained by each Client within a particular strategy. These reviews are maintained by the compliance department.

It is Axiom's policy that aggregated trades are to be allocated to eligible Clients in a fair and equitable manner. The general allocation procedures are as follows:

1. Axiom's order management system, EZE, automatically performs pro-rata trade allocations for all accounts within the same strategy when an order is received. The trade allocation specifies the participating Client accounts and how the system intends to allocate the order among those Clients. Accounts that are blocked on a pre trade basis because of client or regulatory constraints (e.g., client imposed restricted list) are automatically excluded from the allocation.
2. If the aggregated order is filled in its entirety, it will be allocated among Clients in accordance with the Allocation Statement. In the case of purchases, if the order is partially filled, it will be allocated on a pro rata basis such that each Client will receive a portion of the order based on the amount specified on the Allocation Statement for such Client relative to the total order amount shown on the Allocation Statement for all Clients. In the case of sales of securities, if the sale order exceeds the amount available to be purchased, allocations will be made on a pro rata basis based on each Client's position size in the security.
3. Axiom may round off the number of shares received by an account to avoid odd lots that would otherwise result from a pro rata allocation.
4. An aggregated order may be allocated on a basis different from the manner described above in clause (2) if all Clients receive fair and equitable treatment and the reason for the different allocation is documented in writing at time of trade entry by the trading desk.

Axiom's allocation policy with respect to initial public offerings ("IPOs") is to allocate shares acquired in an IPO to IPO-eligible Clients in a fair and equitable manner. If the allocation of IPO shares equals or exceeds a prescribed threshold, the IPO shares shall be allocated in the manner described above in clause (2). If the allocation of IPO shares is less than the prescribed threshold, the IPO shares will be allocated in accordance with a rotation list.

Axiom's UMA clients receive an updated model portfolio file regularly. At the inception of the UMA relationship, the UMA client will specify which day or days of the week that the client requires delivery of the file. As a result of the nature of UMA Model client relationships, the UMA client receives trading information later than the discretionary accounts that Axiom trades directly.

## **Item 13: Review of Accounts**

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Reviews of the portfolio holdings and cash levels of Clients are generally conducted on a daily basis. In addition, a Client's portfolio is also typically reviewed weekly with specific attention paid to diversification and risk characteristics. Ad hoc reviews are also conducted when market conditions warrant. Where appropriate, particular attention is paid in the review process to specific preferences and guidelines of a Client. Although the investment process is organized as a team effort, each Client's portfolio manager generally conducts all portfolio reviews. At times, other senior investment professionals can conduct reviews as well. The team structure is intended to ensure the consistent application of the investment discipline and to facilitate Axiom's ability to identify and respond quickly to meaningful changes in the fundamentals that affect existing and potential holdings.

Axiom's compliance department conducts an independent review of Clients on a monthly basis by comparing the monthly performance results of Clients with similar strategies to determine that similar rates of return are attained by each Client within a particular strategy.

Other conditions that may trigger a review of Clients are changes in the tax laws, new investment information, and changes in a particular Client's own situation.

Reviews with Clients are done both in person and in writing. A formal written review of portfolio performance and of market performance is typically provided to Clients on a quarterly basis, and more often if requested. In person reviews are normally done semi-annually or when requested, and include a discussion of the investment process and performance as well as the current portfolio holdings and certain portfolio characteristics.

In addition, audited financial statements are provided annually to all investors in each Fund.

## **Item 14: Client Referrals**

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### **Incoming Referrals**

Axiom has been fortunate to receive many client referrals over the years. The referrals have come from current Clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. Axiom does not compensate referring parties for these referrals.



## **Item 15: Custody**

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Axiom separate account clients and Funds typically maintain custody arrangements through independent qualified custodians. However, Axiom may in some circumstances be deemed to have “custody” as defined in Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), of Client securities and funds, even though it does not actually maintain Client assets.

All Client assets, including Fund assets, to which Axiom has been deemed to have “custody” are maintained at qualified custodians and sub-custodians selected by the Client. On an annual basis all Funds are audited by independent auditors. Audited financial statements are provided to all investors in each Fund within 120 days of such Fund’s fiscal year end.

The Adviser does not provide custodial services to Clients. Each Client and Fund investor should carefully review statements provided by Axiom and/or the applicable qualified custodian to determine that they are complete and accurate for the applicable period. To the extent any Client or Fund investor receives statements from both Axiom and the applicable qualified custodian, the Client or Fund investor should compare the statements periodically.

## **Item 16: Investment Discretion**

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### **Discretionary Authority for Trading**

Axiom has discretion with respect to the securities to be bought or sold, and the amount of the securities to be bought or sold, by the Funds and Clients, without obtaining prior consent or approval from each Fund or Client for each transaction. Purchases and sales of securities may be subject to investment guidelines and restrictions set forth in Client agreements.

## **Item 17: Voting Client Securities**

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### **Proxy Votes**

Axiom has established Proxy Voting Policies and Guidelines (the “Policies”) pursuant to Rule 206(4)-6 under the Advisers Act. Axiom’s proxy voting policies reflect the long-standing fiduciary standards and responsibilities for ERISA accounts as well as the 2019 SEC guidance regarding proxy voting. For Clients that Axiom has the power to vote proxies, Axiom will vote proxies in accordance with the Policies. The Policy permits Axiom to consider, but does not require Axiom to adhere to, the proxy voting guidelines established by Institutional Shareholder Services Inc. (ISS) when casting proxy votes on behalf of Clients. ISS is a third party vendor that receives proxy ballots, works with custodian banks, executes votes, maintains vote records, and provides comprehensive reporting. Upon request, Axiom will provide a Client with a copy of Axiom’s Policies and with information regarding how the applicable Client’s proxies were voted. To obtain this information, please mail a written request to: [InvestorServices@axiom-investors.com](mailto:InvestorServices@axiom-investors.com).

The Policies are designed to reasonably ensure that Axiom votes proxies in the best interest of Clients for which it has voting authority. The Policies describe how Axiom addresses material conflicts between its interests and those of its Clients with respect to proxy voting.

Conflicts between Axiom’s interests and those of its Clients may raise concerns regarding the effect the conflict may have on how Axiom votes proxies. Axiom typically addresses any material conflicts of interest by (a) relying on the pre-determined voting guidelines outlined in the Policies; (b) using the recommendations of an independent third party; or (c) disclosing material conflicts to the Clients and obtaining the consent of the Clients before voting. In the event that Axiom becomes aware of

a conflict of interest between Axiom and ISS, Axiom will make an independent decision on how to vote, which may or may not be consistent with ISS guidelines.

A few of Axiom's clients have designated proxy voting responsibilities to Axiom while simultaneously requiring Axiom to vote the client proxies in accordance with a specific client voting policy. For these clients, although Axiom is voting the proxies, the recorded vote will be in accordance with the client's requested policy and may not match the discretionary vote that Axiom is able to make in other accounts.

## **Item 18: Financial Information**

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### **Financial Condition**

Axiom is not aware of any financial impairment that would preclude Axiom from meeting its contractual commitments to its Clients.

## **Item 19: Requirements for State-Registered Advisers**

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Not applicable.