

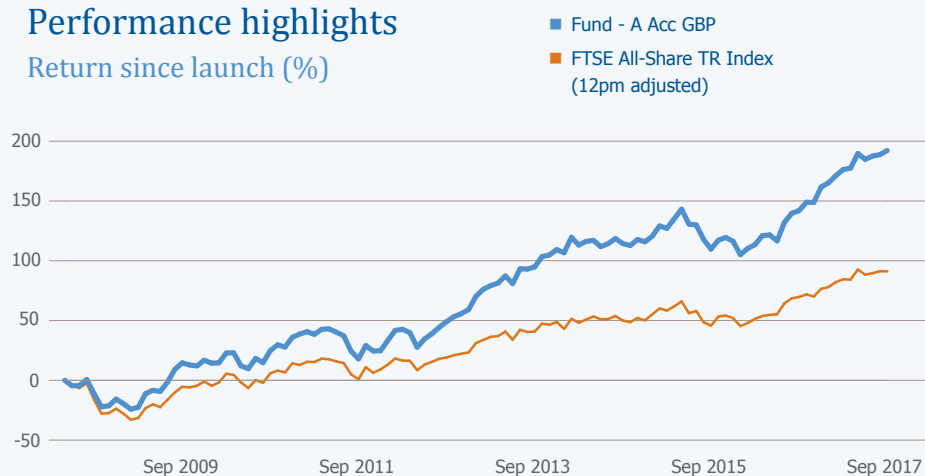
JOHCM UK Dynamic Fund

Fund overview

- Objective: to generate long-term capital growth through active management of a portfolio of UK equities
- Senior Fund Manager Alex Savvides believes misunderstanding of corporate change by the stock market regularly presents opportunities for the patient, disciplined and unemotional investor
- His process aims to profit from understanding change and investing where there is the highest probability of success but with the highest cash-based valuation support
- This approach typically leads to investment in high quality, unloved and under-researched UK companies, many of which are often found in out of favour areas of the market

Performance highlights

Return since launch (%)



Return history (%)

	A Acc GBP	Benchmark	Quartile*
1 month	1.22	-0.06	1
3 months	2.59	1.46	2
1 year	20.76	12.62	1
3 years	36.34	27.46	1
5 years	95.99	60.47	1
10 years	-	-	-
Since launch	192.21	91.16	1
Annualised (since launch)	12.23	7.22	-

Source: JOHCM/FTSE International/Bloomberg, NAV of Share Class A in GBP, net income reinvested, net of fees. The A Acc GBP class was launched on 23 October 2009. During the period 16 June 2008 to 23 October 2009 the performance record is based on the pre-existing share class that had a higher management fee. Benchmark: FTSE All-Share TR Index (12pm adjusted). Performance data for the period 16 June 2008 to 22 October 2009 is for Ryder Court UK Dynamic Fund. From 23 October 2009 onwards, the Fund converted to the JOHCM UK Dynamic Fund. Performance of other share classes may vary and is available on request. Past performance is no guarantee of future performance. The value of investments and the income from them may go down as well as up and you may not get back your original investment. *Sector quartile ranking: IA UK All Companies.

Statistics

Annualised since launch	
Active share** (%)	69.03
Fund volatility (%)	18.11
Benchmark volatility (%)	18.23
Alpha	4.92
R squared	0.94
Correlation	0.97
Tracking error (%)	4.40
Information ratio	1.14
Sharpe ratio	0.64

Source: JOHCM/FTSE International/Bloomberg (calculated weekly). Performance data for the period 16 June 2008 to 22 October 2009 is for Ryder Court UK Dynamic Fund. From 23 October 2009 onwards, the Fund converted to the JOHCM UK Dynamic Fund.

**The proportion of stock holdings in a fund's composition is different from the composition found in its benchmark. The greater the difference between the composition of the fund and its benchmark, the greater the active share.

A Acc GBP

ISIN: GB00B4T7HR59

Fund details

Fund size	GBP 627.8m
Strategy size	GBP 1.0bn
Launch date	16 June 2008
Benchmark	FTSE All-Share TR Index (12pm adjusted)
No. of holdings	45
Domicile	UK
Fund structure	UCITS
Denominations	GBP
Valuation point	12pm Dublin time
Historic Yield (%)	3.24
XD date	31 Dec
Pay date	28 Feb

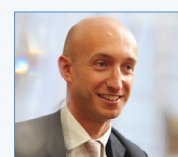
Total strategy assets is updated quarterly and shown as at 30 June 2017.

Fund managers



Alex Savvides
Senior Fund Manager

Alex has managed the Fund since launch. He joined JOHCM in 2003 and has 20 years of industry experience.



Tom Matthews
Analyst

Tom has worked on the Fund since he joined JOHCM in 2013 and has 12 years of industry experience.

Contact details

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Source and copyright of Citywire. Alex Savvides is A rated by Citywire for his three year risk-adjusted performance for the period 31/08/2014 to 31/08/2017. Citywire awards apply to the Manager, rather than the Fund.



Portfolio analysis (%)

Data as at 30 September 2017

Top 10 holdings

	Absolute	Relative
Shell	5.9	-2.0
BP	5.8	1.9
HSBC	5.1	-1.2
GSK	4.5	1.5
Lloyds Banking Group	4.0	2.0
Aviva	3.9	3.1
Morrisons	3.8	3.5
Electrocomponents	3.7	3.6
3i	3.6	3.2
QinetiQ	3.5	3.5
Total	43.8	

Sector breakdown

	Absolute	Relative
Industrials	18.2	6.9
Consumer Services	15.5	4.6
Financials	27.1	0.7
Technology	1.8	0.6
Basic Materials	7.5	0.3
Telecommunications	3.5	-0.1
Oil & Gas	11.6	-0.6
Health Care	6.3	-2.2
Utilities	0.0	-3.0
Consumer Goods	5.5	-10.2
Cash	3.0	3.0

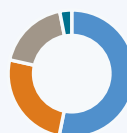
Active bets

Top 5	Relative
Electrocomponents	3.6
Morrisons	3.5
QinetiQ	3.5
3i	3.2
Aviva	3.1

Bottom 5	Relative
British American Tobacco	-4.5
Diageo	-2.5
Unilever	-2.1
Shell	-2.0
Prudential	-1.9

Market cap breakdown

	Absolute
FTSE 100	53.2
FTSE 250	25.3
FTSE Small	18.5
Cash	3.0



FTSE Small = FTSE Small Cap, FTSE Fledgling and FTSE AIM

Attribution & contribution (%)

Stock attribution

Top contributors	Relative return
McBride	0.36
QinetiQ	0.26
BP	0.15
Diageo	0.13
British American Tobacco	0.13
Top detractors	
Restaurant Group	-0.26
3i	-0.18
Morrisons	-0.14
Anglo American	-0.11
Shell	-0.10

Sector attribution*

	Relative return
Consumer Goods	0.93
Industrials	0.38
Financials	0.26
Utilities	0.13
Technology	0.07
Basic Materials	0.03
Health Care	0.02
Oil & Gas	-0.02
Telecommunications	-0.03
Consumer Services	-0.23

*Excludes cash

Source: JOHCM/FTSE International/Bloomberg. Benchmark: FTSE All-Share TR Index (12pm adjusted). Please note that due to rounding breakdowns may not add to 100.00%. All Attribution figures are as at end of day and are calculated on a gross basis.



Fund manager's commentary

- The Fund performed strongly in September in a month that saw a sharp rise in gilt yields amid mounting expectations of an imminent interest rate rise.
- Top contributors over the month were McBride and QinetiQ.
- The Restaurant Group lagged despite reasonable interim results at the end of August which highlighted slow but real progress in the ongoing turnaround of the group's more challenged leisure restaurant brands

Performance over 1 month	%
Fund - A Acc GBP	1.22
FTSE All-Share TR Index (12pm adjusted)	-0.06

Investment background

Despite sluggish UK wage growth, Gertjan Vlieghe, one of the Bank of England's more dovish Monetary Policy Committee (MPC) members, remarked at the annual conference of the Society of Business Economists: "the evolution of the data is increasingly suggesting that we are approaching the moment when the bank rate may need to rise". This came only a day after the MPC said a majority of its members thought it would be appropriate to increase rates "over the coming months". These events led UK-10 year gilt yields to rise sharply and end the quarter at eight-month highs, having previously been at levels in-line with 10-month lows. Consequently, sterling reached a new post-EU referendum high against the US dollar (further aided by Prime Minister Theresa May's speech in Florence signalling a softer negotiating stance with the EU), which put pressure on the share prices of the US dollar-earning members of the FTSE All-Share index, leading it to fall for the first time since June.

Fund review

The Fund performed strongly in September, leading to outperformance for the quarter as a whole. In reality, though, it was perhaps a slightly tougher quarter than the numbers suggest given the documented issues with the share price of QinetiQ and the damaging profit warning from SDL. Whilst outperformance over the month and quarter was broadly led by stock selection, the Fund also benefited from sector allocation tailwinds driven by

the rising yield environment due to its significant underweight position in sectors such as consumer goods and utilities (that are negatively correlated to rising bond yields).

The top contributors over the month were McBride and QinetiQ. The former is Europe's largest private-label household and personal care manufacturer. The stock enjoyed a strong month after the announcement of the transformational acquisition of Danlind early in September, followed by solid final results which delivered continued improvements in margins and returns on capital and positive commentary on its strengthening market position and growth strategy.

QinetiQ's shares responded to a positive pre-close trading update and began to recover from two-and-a-half months of fairly substantial price declines. We have been baffled by the extent of the weakness in the share price. It is therefore pleasing to see management confirm their expectations for the full year and re-iterate guidance for moderate growth in revenues, albeit the share price remains 20% off its May 2017 peak.

The Restaurant Group was the only laggard of note. The group had a tough September despite reasonable interim results at the end of August which highlighted slow but real progress in the ongoing turnaround of the group's more challenged leisure restaurant brands (Frankie & Benny's, Chiquito's and Coast to Coast).

Fund awards & ratings



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Share class details (Further details on additional share classes are available on request)

	ISIN	SEDOL	Bloomberg	WKN	Initial charge	Annual charge	Ongoing charge	Minimum investment*
A Acc GBP	GB00B4T7HR59	B4T7HR5	JODYNIA LN	A0YKNH	Up to 5%	0.75%	0.84%	£1,000
A Dis GBP	GB00B4T85529	B4T8552	JODYNII LN	A0YKNG	Up to 5%	0.75%	0.84%	£1,000
B Acc GBP	GB00B4T7JX59	B4T7JX5	JODYNRA LN	A0YKNF	Up to 5%	1.25%	1.32%	£1,000
B Dis GBP	GB00B4TXJ339	B4TXJ33	JODYNRI LN	A0YKNE	Up to 5%	1.25%	1.34%	£1,000
Y Acc GBP	GB00BDZRJ101	BDZRJ10	JODYAGB LN	A1XCA0	Up to 5%	0.625%	0.71%	£50,000,000
Y Dis GBP	GB00BDZRJ218	BDZRJ21	JODYIGB LN	A1XCA1	Up to 5%	0.625%	0.71%	£50,000,000

Performance fee: 15% on excess if Fund outperforms benchmark, calculated daily. Any underperformance carried forward.

*Other currency equivalents apply.

Country registration

	A Acc GBP	A Dis GBP	B Acc GBP	B Dis GBP	Y Acc GBP	Y Dis GBP
Austria	✓	✓	✓	✓	✓	✓
Germany	✓	✓	✓	✓	✓	✓
Ireland	✓	✓	✓	✓	✓	✓
Singapore	✓	✓	✓	✓	✓	✓
Switzerland	✓	✓	✓	✓	✓	✓
UK	✓	✓	✓	✓	✓	✓

Regulatory documents

English language KIIDs can be found on our website at www.johcm.com

Foreign language versions are available on request by calling +44 (0) 20 7747 5646

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The annual management charge is deducted from the capital of the Fund. This will increase the income from the Fund but may constrain or erode potential for capital growth.

The Funds investment include shares in small-cap companies and these tend to be traded less frequently and in lower volumes than larger companies making them potentially less liquid and more volatile.

Telephone calls may be recorded.

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