

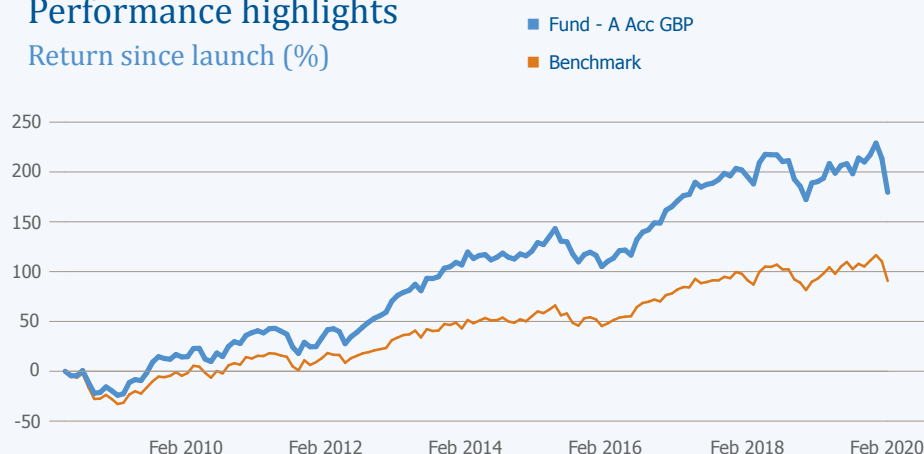
# JOHCM UK Dynamic Fund

## 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

## Performance highlights

### Return since launch (%)



## Return history

	1m	3m	1yr	3yr	5yr	10yr	SL	Annualised*
A Acc GBP	-10.87	-11.85	-3.71	3.11	22.03	143.84	179.57	9.18
Benchmark	-9.37	-9.63	-1.20	4.66	19.12	94.08	90.63	5.66
Quartile**	4	4	4	3	2	1	1	-

## Discrete 12 month performance to

	29.02.2020	28.02.2019	28.02.2018	28.02.2017	29.02.2016
A Acc GBP	-3.71	-1.59	8.81	28.97	-8.23

### Past performance is no guarantee of future performance.

The value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested. The Fund's 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. 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. We recommend that you read the Prospectus and Key Investor Information Document available from the address overleaf or from our website.

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 (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.

\*Annualised since launch. \*\*Sector quartile ranking: IA UK All Companies.

A Acc GBP

ISIN: GB00B4T7HR59

## Fund details

Fund size	GBP 1.65bn
Strategy size	GBP 2.43bn
Launch date	16 June 2008
Benchmark	FTSE All-Share TR (12pm adjusted)
No. of holdings	48
Domicile	UK
Fund structure	UCITS
Denominations	GBP
Valuation point	12pm Dublin time
Historic Yield (%)	4.67
XD date	31-Dec
Pay date	28-Feb

Total strategy assets updated quarterly and shown as at 31 December 2019.

## Fund managers



### Alex Savvides

Senior Fund Manager

Alex has managed the Fund since launch. He joined JOHCM in 2003 and has 23 years of industry experience.



### Tom Matthews

Analyst

Tom has worked on the Fund since he joined JOHCM in 2013 and has 14 years of industry experience.

## Contact details

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## Portfolio analysis (%)

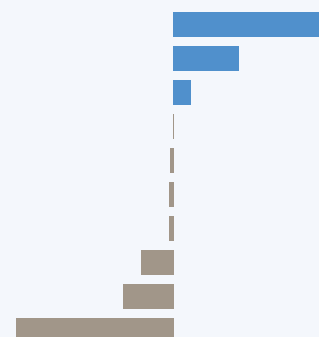
Data as at 28 February 2020

## Top 10 holdings

	Absolute	Relative
GSK	5.2	1.5
3i	4.6	4.1
BP	4.3	0.5
Anglo American	4.0	2.9
Barclays	3.9	2.7
Shell	3.6	-2.7
Morrisons	3.6	3.5
Vodafone	3.6	1.9
Aviva	3.4	2.7
Electrocomponents	3.3	3.2
<b>Total</b>	<b>39.5</b>	

## Sector breakdown

	Absolute	Relative
Consumer Services	21.5	9.8
Financials	31.6	4.3
Telecommunications	3.6	1.2
Oil & Gas	10.5	0.0
Basic Materials	6.8	-0.3
Industrials	11.8	-0.3
Technology	0.8	-0.3
Utilities	1.4	-2.1
Health Care	6.2	-3.3
Consumer Goods	4.4	-10.4
Cash	1.4	1.4

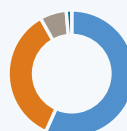


## Active bets

Top 5	Relative
3i	4.1
Morrisons	3.5
Daily Mail and Gen. Trust	3.3
Electrocomponents	3.2
QinetiQ	2.9
Bottom 5	Relative
AstraZeneca	-4.3
British American Tobacco	-3.4
Diageo	-3.1
Shell	-2.7
Unilever	-2.2

## Market cap breakdown

	Absolute
FTSE 100	56.7
FTSE 250	35.1
FTSE Small	6.8
Cash	1.4



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

## Attribution &amp; contribution (%)

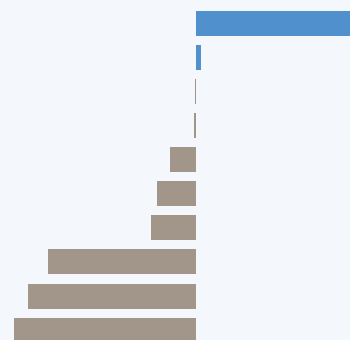
## Stock attribution

Top contributors	Relative return
QinetiQ	0.20
Shell	0.19
St. Modwen Properties	0.16
Urban & Civic	0.11
Hunting	0.10
Top detractors	
WPP	-0.26
Restaurant Group	-0.20
SIG	-0.18
Centrica	-0.15
Hyve Group	-0.14

## Sector attribution\*

	Relative return
Oil & Gas	0.38
Consumer Goods	0.01
Technology	0.00
Telecommunications	0.00
Basic Materials	-0.06
Financials	-0.09
Health Care	-0.10
Utilities	-0.35
Industrials	-0.40
Consumer Services	-0.43

\*Excludes cash



Source: JOHCM/FTSE International/Bloomberg. Benchmark: FTSE All-Share TR (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's underperformance in February was attributable to stock selection as a handful of stocks experienced markedly bearish market reactions to issues that were in most cases already known.
- Shares in WPP fell 16% (-30% YTD) after FY19 results showed that a tougher Q4 meant revenue growth and underlying profit were c. 0.1% and c. 2.0% below analyst expectations respectively.

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Shares in WPP fell 16% (-30% YTD) after FY19 results showed that a tougher Q4 meant revenue growth and underlying profit were c. 0.1% and c. 2.0% below analyst expectations respectively. Although forward guidance was broadly in-line the market began to question the recovery despite progress that has seen the balance sheet de-gearred by 1.5 turns and the commencing of a buyback equivalent to over 10% of market capitalisation. This share price reaction is also despite the stock and sector trading near all-time low multiples.

Shares in The Restaurant Group fell to new lows as growing market fears over the effect of the coronavirus on leisure spending coincided with management choosing to suspend the dividend to accelerate debt reduction (a decision we support). The shares are currently priced at <5x EV/EBITDA despite full-year results showing good traction in the turnaround and Wagamama, pubs and concessions all outperforming their markets.

Centrica had a minor profit warning due to lower global gas prices. This detracted from the wider strategic progress, a strong recovery in the US, continued growth in the distributed power business and ongoing stability in the UK. The shares fell c. 15% and now trade significantly below the company's break-up value.

At SIG we disappointingly have to report that the CEO and CFO were removed by the board. Whilst management's restructuring had successfully reshaped the balance sheet (now net cash), it had lost the support of suppliers, customers and staff thereby undermining the group's performance. This underperformance had been difficult to decipher from the wider marked slowdown in the UK construction market, where the company is most exposed.

Offsetting these, St Modwen Properties delivered strong full-year results that showed a growing dividend growth and forward expectations whilst laying out some market leading carbon and biodiversity targets. Full-year results from Hunting were in line but importantly showed an even stronger net cash balance sheet and the announcement of the first ever stock buyback in the company's near 150-year history at a current share price which is below the company's liquidation value.

Man Group's full-year results were ahead of expectations, with management strategy performing well. That the shares are down materially post results on an analyst downgrade despite the highly encouraging results tells you all you need to know about analysts and this market.

Despite the unexpected decision by the acting CEO of Moneysupermarket to move on at some point later this year, full-year results were an encouraging update with progress on a number of fronts strategically – autoswitch, mortgage comparison, personalisation services – coupled with solid year-ahead guidance and a very strong balance sheet.

Performance over 1 month	%
Fund - A Acc GBP	-10.87
Benchmark	-9.37

## Statistics

	Annualised since launch
Active share* (%)	72.41
Fund volatility (%)	17.08
Benchmark volatility (%)	17.08
Alpha	3.67
R squared	0.94
Correlation	0.97
Tracking error (%)	4.35
Information ratio	0.82
Sharpe ratio	0.53

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.

## Fund awards & ratings



Silver



FE INVESTMENTS  
APPROVED ✓

ELITE FUND  
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## Country registration

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

### Regulatory documents

English language KIIDs can be found on our website at [www.johcm.com](http://www.johcm.com)

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

## 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%	0.80%	£1,000
A Dis GBP	GB00B4T85529	B4T8552	JODYNII LN	A0YKNG	Up to 5%	0.75%	0.80%	£1,000
B Acc GBP	GB00B4T7JX59	B4T7JX5	JODYNRA LN	A0YKNF	Up to 5%	1.25%	1.30%	£1,000
B Dis GBP	GB00B4TXJ339	B4TXJ33	JODYNRI LN	A0YKNE	Up to 5%	1.25%	1.30%	£1,000
Y Acc GBP	GB00BDZRJ101	BDZRJ10	JODYAGB LN	A1XCA0	Up to 5%	0.625%	0.67%	£50,000,000
Y Dis GBP	GB00BDZRJ218	BDZRJ21	JODYIGB LN	A1XCA1	Up to 5%	0.625%	0.67%	£50,000,000

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

Ongoing Charge is as at 28 February 2020.

\*Other currency equivalents apply.

## Important information

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Sources for all data: JOHCM/MSCI Barra/Bloomberg (unless otherwise stated).

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