

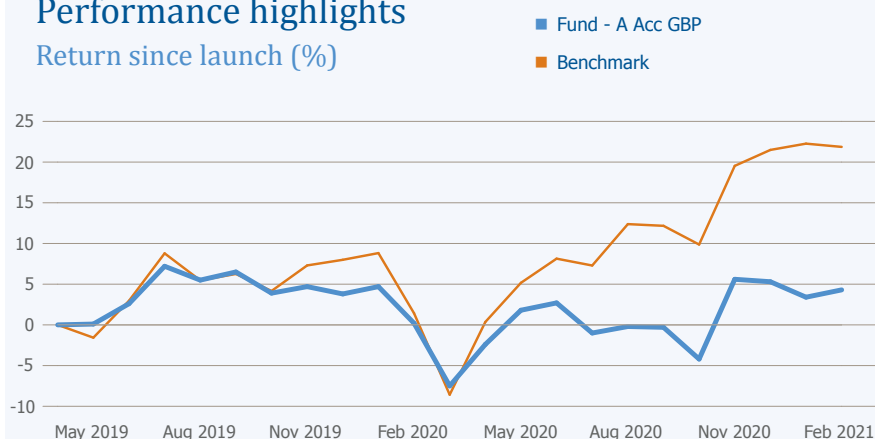
# JOHCM Global Opportunities Fund

## Fund overview

- Objective: to generate long-term capital and income growth through active management of a concentrated portfolio of global equities listed on developed and emerging stock markets
- A high conviction, benchmark-unconstrained stock picking fund
- The fund managers believe that stock markets consistently underestimate the value created by well-managed companies in growth niches that reinvest wisely to create sustainable, compounding returns

## Performance highlights

### Return since launch (%)



## Return history

	1m	3m	1yr	3yr	5yr	10yr	SL	Annualised*
A Acc GBP	0.87	-1.23	4.09	-	-	-	4.30	2.34
Benchmark	-0.33	1.95	20.15	-	-	-	21.87	11.46

## Discrete 12 month performance to

	28.02.2021	29.02.2020	28.02.2019	28.02.2018	28.02.2017
A Acc GBP	4.09	-	-	-	-

### 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. Investing in companies in emerging markets involves higher risk than investing in established economies or securities markets. Emerging Markets may have less stable legal and political systems, which could affect the safe-keeping or value of assets. 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.

NAV of Share Class A in GBP, net income reinvested. The A Acc GBP was launched on 3 May 2019. Benchmark: MSCI AC World NR (12pm adjusted). Performance of other share classes may vary and is available on request.

\*Annualised since launch. \*\*Sector quartile ranking: IA Global, and Lipper Global Equity Global domiciled in the UK, offshore Ireland, or offshore Luxembourg.

A Acc GBP

ISIN: GB00BJ5JMC04

## Fund details

Fund size	GBP 32.05m
Strategy size	GBP 3.39bn
Launch date	3 May 2019
Benchmark	MSCI AC World NR (12pm adjusted)
No. of holdings	39
Domicile	UK
Fund structure	UCITS
Tax status	UK reporting status
Denominations	GBP
Valuation point	12pm Dublin time
XD date	31-Dec
Pay date	28-Feb

Total strategy assets updated quarterly and shown as at 31 December 2020.

## Fund managers



### Ben Leyland

Senior Fund Manager

Ben has managed the Fund since launch. He joined JOHCM in 2006 and has 19 years of industry experience.



### Robert Lancaster

Senior Fund Manager

Robert has worked on the Fund since launch. He joined JOHCM in 2012 and has 12 years of industry experience.

## Contact details

OEIC Dealing & Investing

**0845 450 1970 / 1972**

+44 (0) 20 7747 5646  
(international calls)

Fax

**+353 1613 1132**

Email [info@johcm.co.uk](mailto:info@johcm.co.uk)



## Portfolio analysis (%)

Data as at 28 February 2021

### Top 20 holdings

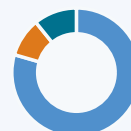
	Absolute
Philip Morris International	5.5
Sanofi	5.0
Enel	5.0
L3Harris Technologies	4.6
Oracle	4.2
Atmos Energy	3.3
Sempra Energy	3.1
Unilever	3.0
Thales	2.9
Exelon	2.9
Rio Tinto	2.8
Wärtsilä	2.7
Sugi	2.7
Galp Energia	2.6
Progressive	2.5
Continental	2.5
Northrop Grumman	2.4
Motorola Solutions	2.2
Smith & Nephew	2.1
M&T Bank	2.1
<b>Total</b>	<b>64.1</b>

### Sector breakdown

	Absolute
Industrials	18.8
Utilities	17.6
Consumer Staples	11.2
Health Care	10.2
Information Technology	7.9
Financials	6.8
Consumer Discretionary	6.5
Communication Services	4.0
Materials	2.8
Other	3.4
Cash	10.8

### Market cap breakdown

	Absolute
Large (>USD 10bn)	79.5
Mid (USD 1 - 10bn)	9.7
Small (<USD 1bn)	0.0
Cash	10.8



### Regional breakdown

	Absolute
North America	43.2
Europe ex UK	29.0
United Kingdom	10.4
Japan	6.7
Cash	10.8



## Attribution & contribution (%)

### Stock contributors

Top contributors	Absolute
Wärtsilä	0.35
ITC	0.28
Rio Tinto	0.26
Galp Energia	0.24
Compass	0.23
Top detractors	
Unilever	-0.36
Enel	-0.32
Sempra Energy	-0.25
Exelon	-0.25
Smith & Nephew	-0.22

### Sector contribution\*

	Absolute
Industrials	0.88
Consumer Discretionary	0.37
Financials	0.29
Materials	0.26
Energy	0.24
Consumer Staples	0.22
Information Technology	0.21
Communication Services	0.10
Real Estate	-0.05
Health Care	-0.63
Utilities	-1.20

\*Excludes cash

Please note that due to rounding breakdowns may not add to 100.00%. All Contribution figures are as at end of day and are calculated on a gross basis.



## Fund manager's commentary

- We haven't yet purged the portfolio of Covid-disrupted names but we have been actively reducing our collective exposure in that area.
- For us the most interesting part of the market is the 'forgotten middle': companies whose intrinsic value continues to build steadily as they reinvest and execute on a value-creative strategy, but whose share prices have generally been uninspiring over the last 12 months.

We spent much of the middle of last year emphasising the value to be found "Covid-Disrupted Structural Winners". These were companies suffering extreme disruption as a result of global lockdowns, but with leading positions in healthy industries with structural tailwinds, coupled with strong balance sheets and good management teams managing costs and liquidity very well in difficult circumstances. Previously they had been highly regarded and traded on multiples which reflected their many attractions, but they had lost their halo and now offered two sources of upside combined with a good margin of safety. The two sources of upside were a) more resilience/a quicker recovery than expected, whether through a bounce-back in activity sets, market share gains as weaker peers fell away, and ability to retain cost cuts, and b) compound growth potential beyond simply recovering back to 2019 levels of profitability. The margin of safety was important, given the level of uncertainty. There were certainly more distressed, more leveraged and more structurally challenged areas of 'value' but those carried considerable downside risk, even if they offered enticing upside on the other side.

Most of these shares flat-lined through the middle six months of last year. We mean in absolute terms; obviously in relative terms that meant they lagged the market by a considerable margin. However, since November they have been extremely strong and it is now harder to make the argument that they are overlooked and undervalued. There are certainly scenarios in which they are cheap but others in which they look very fully priced. Again, that is an absolute, not a relative comment, and it depends on your discount rate/cost of equity. But whilst acknowledging the Fed's current doveish messaging, we think it is inconsistent to perpetuate an ultra-low cost of equity at the same time as forecasting a strong cyclical recovery. As a 'risk-free' discount rate, the 10-year Treasury yield matters a lot more than the Fed Funds Target Rate.

We haven't yet purged the portfolio of Covid-disrupted names but we have been actively reducing our collective exposure in that area. From our perspective the most interesting and overlooked part of the market is now what we are calling the 'forgotten middle': companies whose intrinsic value continues to build steadily as they reinvest and execute on a value-creative strategy, but whose share prices have generally been uninspiring over the last 12 months and are yet to reflect the value being created. It may be more exciting to focus on the extremes, but we are quietly building a portfolio of companies trading on mid-to-high teens earnings multiples, which can grow earnings at 5-6% and pay a dividend yield of about 3%. The days of "8-4-8" investments (8% free cash flow yield, paying out half and retaining half to reinvest at 16% returns and grow at 8%) are not quite here but we think "6-3-6" is achievable and offers hope of high single-digit total returns over the medium term.

Performance over 1 month	%
Fund - A Acc GBP	0.87
Benchmark	-0.33

## Statistics

As this Fund was launched less than three years ago, risk measures cannot be deemed statistically significant.

## Fund awards & ratings



## 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	GB00BJ5JMC04	BJ5JMC0	JOHGOAA LN	-	Up to 5%	0.90%	0.99%	£1,000
A GBP Hedged	GB00BKDV8G18	BKDV8G1	-	-	Up to 5%	0.90%	0.99%	£1,000
A Dis GBP	GB00BJ5JMD11	BJ5JMD1	JOHGOAD LN	-	Up to 5%	0.90%	0.99%	£1,000
X Acc GBP	GB00BJ5JMF35	BJ5JMF3	JOHGOXA LN	-	Up to 5%	0.625%	0.75%	£100,000,000
X Dis GBP	GB00BJ5JMG42	BJ5JMG4	JOHGOXD LN	-	Up to 5%	0.625%	0.75%	£100,000,000

Ongoing Charge is as at 27 May 2021.

\*Other currency equivalents apply.

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