

## JOHCM UK Opportunities Fund

- If it walks like a duck and talks like a duck, it's a duck. The same applies for stock market bubbles.



**John Wood**  
Senior Fund Manager



**Ben Leyland**  
Senior Fund Manager

### Return history (%)

	1m	3m	6m	1y	3y	5y	Since Launch
Fund	-1.50	-0.14	5.14	6.09	39.95	93.15	110.80
Benchmark	0.15	0.31	5.76	6.31	32.16	80.66	76.82
Quartile	4	2	1	2	2	2	1
Lipper rank							30/195

Share class B in GBP

### Investment background

The FTSE All-Share TR Index (adjusted) returned 0.15% during July.

### Strategy Highlights

The Fund returned -1.50% in July.

Sharp-eyed readers, no doubt numbed by the repetition within our monthly factsheets, will know that we have barely deviated from our essential message of past months, indeed years: absolute valuations within the UK stock market, artificially inflated by the drug of quantitative easing, are unattractive to us as fundamental investors in the absence of an improvement in underlying corporate fundamentals.

We have repeated this view ad nauseum as little has changed. However, change is upon us. And this change could be one of the most dramatic changes facing investors for decades. The imminent tightening of interest rates in the UK and the US from multi-year emergency level historic lows will have profound investment consequences. We will explore our thoughts on this topic in detail in a separate paper next month.

Meanwhile, our focus continues to be on identifying companies that can generate above-average returns over the long term through compounding growth. Unfashionably, we seek to buy and hold stakes in companies characterised by high quality franchises that generate plentiful free cash flow and which have solid balance sheets marked by low levels of debt. High return investments are scarce in the low return environment now facing us, but we believe we can achieve attractive long-term returns through the patient process of holding stocks that regularly compound their growth over time.

### PROFESSIONAL INVESTORS ONLY

#### Fund details

<b>Fund size</b>	GBP 1.4bn
<b>Fund launched</b>	30/11/2005
<b>Benchmark</b>	FTSE All-Share TR Index
<b>Historic yield (%)</b>	2.82
<b>Ex-dividend date</b>	<b>Payment date</b>
31-Dec	28-Feb
<b>Domicile</b>	UK
<b>Status</b>	UCITS
<b>Tax</b>	UK Distributor status Outside scope for EUSD

#### Min investment (or currency equiv)

A	GBP 1,000
B	GBP 1,000

<b>Unit type</b>	Distribution
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<b>Denomination</b>	GBP
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<b>Valuation point</b>	12pm
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#### Fund ratings and awards

<b>Morningstar Rating</b>	****
<b>Citywire Fund Rating</b>	A

#### Fees, charges, commission

<b>Initial charge</b>	Up to 5%
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#### Annual management charge

Share class A	0.75%
Share class B	1.25%

#### Performance fee

15% on excess if Fund outperforms benchmark, calculated daily. Any underperformance carried forward. This fee applies to all share classes.

Yield and Morningstar rating are based on share class B - accumulating.

Share Class	Sedol	ISIN	Bloomberg Tickers	WKN numbers
A Accumulating	B0LLB64	GB00B0LLB641	JOHUOIA LN	A0H1DL
B Accumulating	B0LLB75	GB00B0LLB757	JOHUORA LN	A0JLVD
A Distributing	B3K76Q9	GB00B3K76Q93	JOHUOII LN	A0RGE1
B Distributing	B3K76P8	GB00B3K76P86	JOHUORI LN	A0RGE2

## JOHCM UK Opportunities Fund

### Top ten equity holdings (%)

	Fund
Reed Elsevier	5.17
National Grid	4.96
British American Tobacco	4.94
GlaxoSmithKline	4.59
Unilever	4.16
Royal Dutch Shell	3.97
Imperial Tobacco	3.70
Compass	3.61
BP	3.53
Sage	3.51

### Sector allocation (%)

	Fund
Consumer Goods	18.80
Industrials	18.57
Consumer Services	15.75
Oil & Gas	11.00
Health Care	8.18
Utilities	4.96
Technology	3.51
Financials	0.00
Telecommunications	0.00
Basic Materials	0.00

Note: Figures exclude cash. Cash is 19.21%

Source: JOHCM/Bloomberg/FTSE Group. Note for return history table: NAV of share class B in GBP, net income reinvested. Benchmark: FTSE All-Share TR Index. Performance of other share classes may vary and is available on request. Universe for Lipper ranking is IMA UK All Companies. Source and copyright of Citywire. John Wood and Ben Leyland are A rated by Citywire for their three year risk-adjusted performance for the period 31/07/2011 to 31/07/2014.

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