

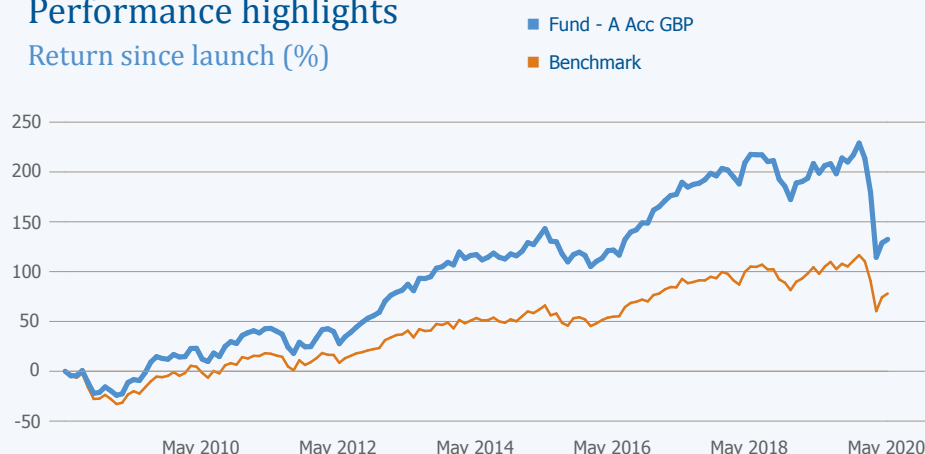
JOHCM UK Dynamic Fund

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	1.59	-16.88	-22.23	-19.77	-4.43	107.23	132.37	7.30
Benchmark	2.17	-6.64	-10.02	-7.62	7.20	81.02	77.98	4.94
Quartile**	4	4	4	4	3	2	1	-

Discrete 12 month performance to

	31.05.2020	31.05.2019	31.05.2018	31.05.2017	31.05.2016
A Acc GBP	-22.23	-5.94	9.66	30.71	-8.86

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 1.41bn
Strategy size	GBP 1.75bn
Launch date	16 June 2008
Benchmark	FTSE All-Share TR (12pm adjusted)
No. of holdings	46
Domicile	UK
Fund structure	UCITS
Denominations	GBP
Valuation point	12pm Dublin time
Historic Yield (%)	5.71
XD date	31-Dec
Pay date	28-Feb

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

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 31 May 2020

Top 10 holdings

	Absolute	Relative
GSK	6.1	1.8
Anglo American	4.8	3.7
Vodafone	4.8	2.9
3i	4.7	4.3
BP	4.3	1.1
Morrisons	4.2	4.0
Barclays	4.0	2.9
Tesco	3.9	2.8
Electrocomponents	3.6	3.5
Daily Mail and Gen. Trust	3.6	3.6
Total	44.0	

Sector breakdown

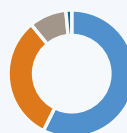
	Absolute	Relative
Consumer Services	23.2	11.0
Telecommunications	4.8	2.2
Industrials	13.3	1.4
Financials	25.6	1.2
Oil & Gas	9.1	0.6
Basic Materials	8.3	0.1
Technology	0.9	-0.2
Utilities	0.6	-2.8
Health Care	8.5	-3.3
Consumer Goods	4.4	-11.6
Cash	1.5	1.5

Active bets

Top 5	Relative
3i	4.3
Morrisons	4.0
Anglo American	3.7
Daily Mail and Gen. Trust	3.6
Electrocomponents	3.5
Bottom 5	Relative
AstraZeneca	-5.9
British American Tobacco	-3.8
Diageo	-3.4
Unilever	-2.5
Reckitt Benckiser	-2.4

Market cap breakdown

	Absolute
FTSE 100	57.3
FTSE 250	31.7
FTSE Small	9.5
Cash	1.5



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

Attribution & contribution (%)

Stock attribution

Top contributors	Relative return
Anglo American	0.54
Stock Spirits	0.40
Vodafone	0.38
Electrocomponents	0.21
HSBC	0.20
Top detractors	
St. Modwen Properties	-0.33
BHP	-0.22
Experian	-0.17
Euromoney	-0.17
ConvaTec Group	-0.17

Sector attribution*

	Relative return
Consumer Goods	0.49
Telecommunications	0.39
Basic Materials	0.20
Financials	0.14
Utilities	0.05
Oil & Gas	-0.02
Technology	-0.08
Industrials	-0.10
Health Care	-0.22
Consumer Services	-0.57

*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

- Global equity markets continued to rebound as investors' bearish positioning was challenged by positive vaccine trial data, further global policy stimulus and high frequency data that suggested the decline in economic growth may have bottomed.
- The Fund's strong showing in the last week reflects the first signs of an unwind in excessively bearish analyst and investor sentiment led by a number of strong trading updates from several portfolio holdings.

The Fund underperformed the index in April, returning 1.59% versus a 2.17% return by its benchmark, the FTSE All-Share Total Return index (12pm adjusted). This performance masked clear signs of an inflection in the Fund's performance over the month. Weekly net performance figures for the four-week period were -109bps, -43bps, -1bp and +96bps in chronological order. These reflect the first signs of an unwind in excessively bearish analyst and investor sentiment led by a number of strong trading updates from several portfolio holdings (Vodafone, Stock Spirits, 3i, Aviva and Provident Financial) and a shift in market sentiment towards the potential for a global recovery (benefiting cyclical stocks like Anglo American and Melrose). These look to be the first steps towards investors questioning the (current all-time high) disparities in stock valuations.

Looking at our holdings, shares in Stock Spirits were up 25% relative to the benchmark over the month (a two-year relative high) as interim results showed management successfully navigating the impact of Covid-19 and excise increases in their two main markets of Poland and Czech Republic. Despite management not providing further guidance, the interim dividend was increased 5.3% and analysts upgraded forecasts to reflect a marked improvement in the competitive landscape in Poland for the first time in six years.

The Q4 update from Vodafone reassured on many fronts. Service revenues were ahead of consensus estimates as headwinds in Italy and Spain abated and cost saving targets increased. The monetisation of the European Tower assets are still on track and, importantly for such a major part of the benchmark, the dividend remains intact.

Although the relative move in 3i's share price over the month was muted, the shares were up 10% relative on the day of its full-year results as NAV came in ahead of consensus expectations with the valuation of Action unaffected by the crisis. Action's Dutch stores (one third of the group) had remained open, with like-for-like sales (LfLs) growth maintaining their 7% pre-crisis level whilst LfLs growth at the recently opened German and Polish stores was 10% and 20%, respectively. We believe this could be the most undervalued growth asset in the FTSE 100.

The Q1 trading update from Aviva was also reassuring, with no worsening in expectations of the impact of Covid-19 on claims, a stark contrast to its valuation which suggests 3.9x normalised FY21 earnings and a potential 14% dividend yield. Likewise, Provident Financial's capital remained robust with surplus capital of £190m, equivalent to 40% of its market cap. This was despite limited scope for new lending as it purposefully tightened underwriting and Home Credit collections remained below normal levels due to the lockdown (albeit still at 80%).

Elsewhere, shares at St Modwen underperformed for no obvious reason other than Brexit concerns affecting UK domestic stocks.

Performance over 1 month	%
Fund - A Acc GBP	1.59
Benchmark	2.17

Statistics

	Annualised since launch
Active share* (%)	75.28
Fund volatility (%)	19.26
Benchmark volatility (%)	18.54
Alpha	2.31
R squared	0.94
Correlation	0.97
Tracking error (%)	4.70
Information ratio	0.50
Sharpe ratio	0.34

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
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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

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%	0.79%	£1,000
A Dis GBP	GB00B4T85529	B4T8552	JODYNII LN	A0YKNG	Up to 5%	0.75%	0.79%	£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 29 May 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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