

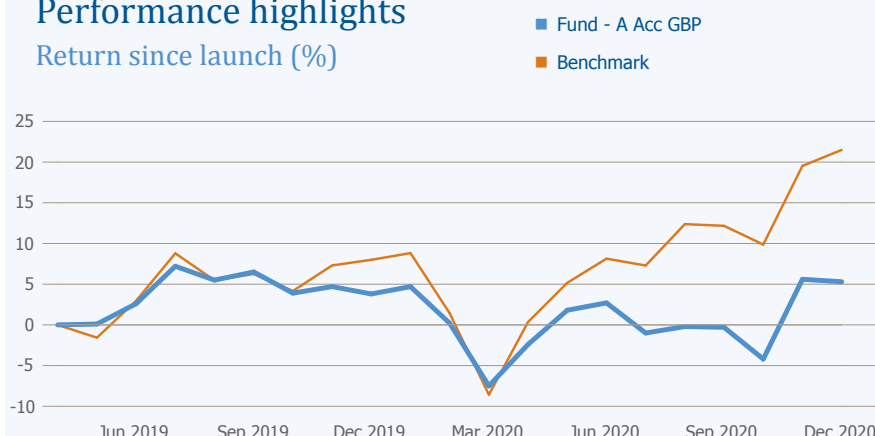
# JOHCM Global Opportunities Fund

## 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	-0.28	5.62	1.45	-	-	-	5.30	3.15
Benchmark	1.64	8.31	12.50	-	-	-	21.49	12.40

## Discrete 12 month performance to

	31.12.2020	31.12.2019	31.12.2018	31.12.2017	31.12.2016
A Acc GBP	1.45	-	-	-	-

### 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 29.98m
Strategy size	GBP 33.04m
Launch date	3 May 2019
Benchmark	MSCI AC World NR (12pm adjusted)
No. of holdings	40
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 31 December 2020

## Top 20 holdings

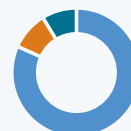
	Absolute
Philip Morris International	5.3
Enel	5.2
Oracle	4.7
Sanofi	4.6
L3Harris Technologies	4.0
Exelon	3.5
Unilever	3.1
Atmos Energy	3.0
Sempra Energy	3.0
ITC	2.7
Galp Energia	2.7
Wärtsilä	2.7
Raytheon Technologies	2.6
Compass	2.6
Sugi	2.6
Continental	2.5
Thales	2.5
Rio Tinto	2.4
Smith & Nephew	2.3
NTT	2.1
<b>Total</b>	<b>64.1</b>

## Sector breakdown

	Absolute
Industrials	19.1
Utilities	16.8
Consumer Staples	14.3
Health Care	8.5
Information Technology	8.4
Consumer Discretionary	8.1
Communication Services	5.5
Financials	4.9
Energy	2.7
Other	2.9
Cash	8.7

## Market cap breakdown

	Absolute
Large (>USD 10bn)	81.7
Mid (USD 1 - 10bn)	9.6
Small (<USD 1bn)	0.0
Cash	8.7



## Regional breakdown

	Absolute
North America	39.5
Europe ex UK	28.9
United Kingdom	11.5
Japan	7.3
Other	4.1
Cash	8.7



## Attribution &amp; contribution (%)

## Stock contributors

Top contributors	Absolute
Oracle	0.42
Philip Morris International	0.39
Rio Tinto	0.31
Continental	0.15
ITC	0.14
<b>Top detractors</b>	
Sanofi	-0.32
L3Harris Technologies	-0.16
Safran	-0.11
China Mobile	-0.10
Galp Energia	-0.09

## Sector contribution\*

	Absolute
Information Technology	0.47
Consumer Staples	0.39
Materials	0.31
Financials	0.28
Consumer Discretionary	0.20
Communication Services	0.04
Real Estate	0.00
Energy	-0.09
Health Care	-0.18
Utilities	-0.23
Industrials	-0.26

\*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 are struck by the contrast between solid fundamentals and lacklustre share price performance in US utilities and US defence as well as specific stocks like Sanofi and Philip Morris.
- These were down in US dollar terms over 2020, having only modestly outperformed in Q1 and then lagged both pre- and post-vaccine rallies in Q2/3 and then Q4.
- Whilst this is certainly a source of frustration, it is also a source of growing excitement about the attractive valuations we see.

Over the last quarter of 2020, our 'Covid-disrupted structural winners', which at the end of September comprised 26% of the portfolio across 15 names, were up 23% over the quarter in US dollar terms. Most of this performance came from eight names, which were up an average of 30% - including Safran, Continental, Compass and Thales. The other seven were up only 12%, with CME, Motorola Solutions and Smith & Nephew the notable laggards, up only 6-8% each. The other 23 holdings (63% of the portfolio back in September) were up an average of 10%, leading to a portfolio up 12.5% in total.

The market was up 15.2%, led by financial and energy sectors, both up 23%, thanks to rising interest rates (the US 10-year treasury yield rose from below 70bp to above 90bp) and higher oil prices (the Brent crude oil price was up from just over \$41 to \$52). Although this was a significant turnaround in fortunes for two sectors which had been extremely weak for the prior nine months (and were both still down materially for the full year), there was little evidence of a significant rotation away from the 'Covid winners' which had done so well in the first nine months. The technology sector was up 15% in Q4 (7% in December) to cap a stellar year.

The "forgotten middle" remains very much overlooked. Amid such excitement at the two ends of the seesaw, we are struck by the contrast between solid fundamentals and lacklustre share price performance in areas like US utilities and US defence as well as specific stocks like Sanofi and Philip Morris. All of these were down in US dollar terms for the 12 months, having only modestly outperformed the falling market in Q1 (-14% vs -22%) and then lagged both pre- and post-vaccine rallies in Q2/3 and then Q4. This goes a long way to explaining the portfolio's failure to grow very much at all over the last 12 months, so it is certainly a source of frustration but also a source of growing excitement about the attractive valuations we see for what are solid, diversified, well-invested businesses with strong balance sheets and good growth prospects backed up by exposure to structural tailwinds. It is very rare these days to find stocks trading on mid-teens earnings multiples with that kind of profile, but that is where we see the best balance of risk and reward at present. Hence we now have 29% of the portfolio in these four areas, up from 16% at the start of 2020.

Performance over 1 month	%
Fund - A Acc GBP	-0.28
Benchmark	1.64

## Statistics

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

## Fund awards & ratings



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## 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 31 December 2020.

\*Other currency equivalents apply.

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