

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

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

Min investment (or currency equiv)

A	GBP 1,000
B	GBP 1,000

Unit type	Distribution
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Denomination	GBP
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Valuation point	12pm
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Fund ratings and awards

Morningstar Rating	****
Citywire Fund Rating	A

Fees, charges, commission

Initial charge	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	JOHU0IA LN	A0H1DL
B Accumulating	B0LLB75	GB00B0LLB757	JOHUORA LN	A0JLVD
A Distributing	B3K76Q9	GB00B3K76Q93	JOHU0II 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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Enquiries

J O Hambro Capital Management	Dealing Line	Fax	www.johcm.co.uk
Ground Floor, Ryder Court	0845 450 1972	+44 (0) 20 7747 5678	
14 Ryder Street	+44 (0) 20 7747 5646 (UK)		
London	Investor Relations	Email	
SW1Y 6QB	+44 (0) 20 7747 5679	info@johcm.co.uk	