

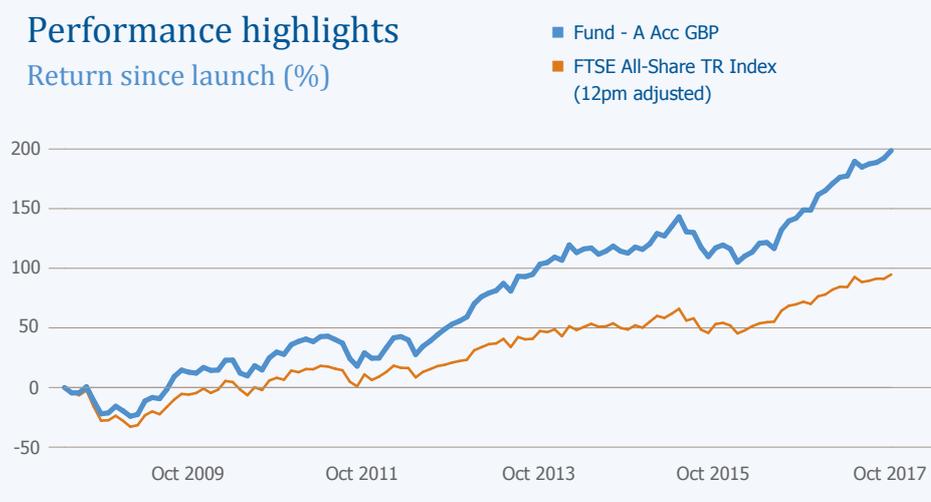
JOHCM UK Dynamic Fund

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
- This approach typically leads to investment in high quality, unloved and under-researched UK companies, many of which are often found in out of favour areas of the market

Performance highlights

Return since launch (%)



A Acc GBP

ISIN: GB00B4T7HR59

Fund details

Fund size	GBP 785.6m
Strategy size	GBP 1.1bn
Launch date	16 June 2008
Benchmark	FTSE All-Share TR Index (12pm adjusted)
No. of holdings	44
Domicile	UK
Fund structure	UCITS
Denominations	GBP
Valuation point	12pm Dublin time
Historic Yield (%)	3.17
XD date	31 Dec
Pay date	28 Feb

Total strategy assets is updated quarterly and shown as at 30 September 2017.

Fund managers



Alex Savvides
Senior Fund Manager

Alex has managed the Fund since launch. He joined JOHCM in 2003 and has 21 years of industry experience.



Tom Matthews
Analyst

Tom has worked on the Fund since he joined JOHCM in 2013 and has 12 years of industry experience.

Return history (%)

	A Acc GBP	Benchmark	Quartile*
1 month	2.20	1.88	2
3 months	3.87	2.73	1
1 year	20.00	13.29	1
3 years	40.42	31.03	1
5 years	94.95	61.03	1
10 years	-	-	-
Since launch	198.66	94.75	1
Annualised (since launch)	12.37	7.36	-

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 Index (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. Past performance is no guarantee of future performance. The value of investments and the income from them may go down as well as up and you may not get back your original investment. *Sector quartile ranking: IA UK All Companies.

Statistics

	Annualised since launch
Active share** (%)	70.63
Fund volatility (%)	18.03
Benchmark volatility (%)	18.15
Alpha	4.95
R squared	0.94
Correlation	0.97
Tracking error (%)	4.38
Information ratio	1.14
Sharpe ratio	0.65

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.

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Portfolio analysis (%)

Data as at 31 October 2017

Top 10 holdings

	Absolute	Relative
BP	6.1	2.1
Shell	6.1	-2.0
HSBC	5.1	-1.0
GSK	4.5	1.7
Lloyds Banking Group	4.3	2.3
Aviva	4.0	3.1
Vodafone	3.8	1.4
3i	3.7	3.3
Morrisons	3.6	3.4
Electrocomponents	3.6	3.4
Total	44.8	

Sector breakdown

	Absolute	Relative
Industrials	17.1	5.8
Consumer Services	15.5	4.5
Financials	27.9	1.6
Technology	1.7	0.5
Basic Materials	7.8	0.5
Telecommunications	3.8	0.3
Oil & Gas	12.4	-0.3
Utilities	0.0	-2.9
Health Care	4.5	-3.7
Consumer Goods	5.2	-10.5
Cash	4.1	4.1

Active bets

Top 5	Relative
Electrocomponents	3.4
QinetiQ	3.4
Morrisons	3.4
3i	3.3
Aviva	3.1
Bottom 5	Relative
British American Tobacco	-4.6
AstraZeneca	-2.6
Diageo	-2.6
Unilever	-2.1
Shell	-2.0

Market cap breakdown

	Absolute
FTSE 100	52.9
FTSE 250	26.0
FTSE Small	17.0
Cash	4.1

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

Attribution & contribution (%)

Stock attribution

Top contributors	Relative return
Electrocomponents	0.35
Man Group	0.24
SDL	0.17
3i	0.11
BT	0.10
Top detractors	Relative return
GSK	-0.23
Morrisons	-0.22
Barclays	-0.13
QinetiQ	-0.11
British American Tobacco	-0.11

Sector attribution*

	Relative return
Industrials	0.22
Financials	0.21
Utilities	0.14
Telecommunications	0.11
Technology	0.10
Basic Materials	0.10
Oil & Gas	0.03
Consumer Goods	-0.03
Health Care	-0.14
Consumer Services	-0.37

*Excludes cash

Source: JOHCM/FTSE International/Bloomberg. Benchmark: FTSE All-Share TR Index (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

- Markets generally made good progress during October, a month that witnessed a remarkable amount of political and economic news flow around the globe.
- A strong performance from Electrocomponents helped the Fund to outperform over the month.
- After nine years of owning AstraZeneca (a core holding when the Fund was launched), we have exited our position.

Performance over 1 month	%
Fund - A Acc GBP	2.20
FTSE All-Share TR Index (12pm adjusted)	1.88

Investment background

Markets generally made good progress during October, a month that witnessed a remarkable amount of political and economic news flow around the globe. In the UK, there was a solid picture with Manufacturing and Services PMI data being resilient. Inflation data continued to overshoot the Bank of England's target. The chance of a rate rise in the UK, the first since 2010, therefore strengthened over the month and was then all but guaranteed after UK GDP for Q3 came in at 0.4%, slightly ahead of expectations. The Bank duly obliged on 2nd November with a 7-2 vote in favour of a 0.25% increase in the bank rate to 0.5%.

Fund review

The Fund fared reasonably well in October, modestly outpacing the index. Electrocomponents had a strong month after a further positive trading statement covering the company's second quarter and half year to September 2017. However, this is not just about global PMI growth, helpful as it is. We are also seeing strong strategic progress. Own branded business

RS saw an acceleration in its growth rate to +10% in H1, implying c. 12% in Q2 from 8% in Q1. This is highly important as it is a key strategic focus of this management and a high margin part of the group. Gross margins across the group were also indicated to be up year-on-year, proving that this growth is not just simply being bought.

Recruitment company Robert Walters has been a successful investment for the Fund in recent years. It announced a very strong Q3 update in October, which again showed very strong revenue growth (+21%), with rising demand across the globe for core recruitment and in its recruitment process outsourcing business Resource Solutions, where the company have invested over the last few years. We started to slowly sell the shares in 2017 as the share price climbed. The final position was exited in October after we took advantage of the strong liquidity after the trading statement.

We also exited our long-standing position in AstraZeneca over the month. The risk/reward profile now looks unattractive to us, and if the growth from immuno-oncology does not come through as fast or in the scale expected, the dividend and share price look vulnerable.

Fund awards & ratings



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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%	0.84%	£1,000
A Dis GBP	GB00B4T85529	B4T8552	JODYNII LN	A0YKNG	Up to 5%	0.75%	0.84%	£1,000
B Acc GBP	GB00B4T7JX59	B4T7JX5	JODYNRA LN	A0YKNF	Up to 5%	1.25%	1.32%	£1,000
B Dis GBP	GB00B4TXJ339	B4TXJ33	JODYNRI LN	A0YKNE	Up to 5%	1.25%	1.34%	£1,000
Y Acc GBP	GB00BDZRJ101	BDZRJ10	JODYAGB LN	A1XCA0	Up to 5%	0.625%	0.71%	£50,000,000
Y Dis GBP	GB00BDZRJ218	BDZRJ21	JODYIGB LN	A1XCA1	Up to 5%	0.625%	0.71%	£50,000,000

Performance fee: 15% on excess if Fund outperforms benchmark, calculated daily. Any underperformance carried forward.

*Other currency equivalents apply.

Country registration

	A Acc GBP	A Dis GBP	B Acc GBP	B Dis GBP	Y Acc GBP	Y Dis GBP
Austria	✓	✓	✓	✓	✓	✓
Germany	✓	✓	✓	✓	✓	✓
Ireland	✓	✓	✓	✓	✓	✓
Singapore	✓	✓	✓	✓	✓	✓
Switzerland	✓	✓	✓	✓	✓	✓
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

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Investors should note that there may be no recognised market for investments selected by the Investment Manager and it may, therefore, be difficult to deal in the investments or to obtain reliable information about their value or the extent of the risks to which they are exposed. The Investment Manager may undertake investments on behalf of the Fund in countries other than the investors' own domicile. Investors should also note that changes in rates of exchange may cause the value of investments to go up or down.

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.

The Funds 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.

Telephone calls may be recorded.

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