

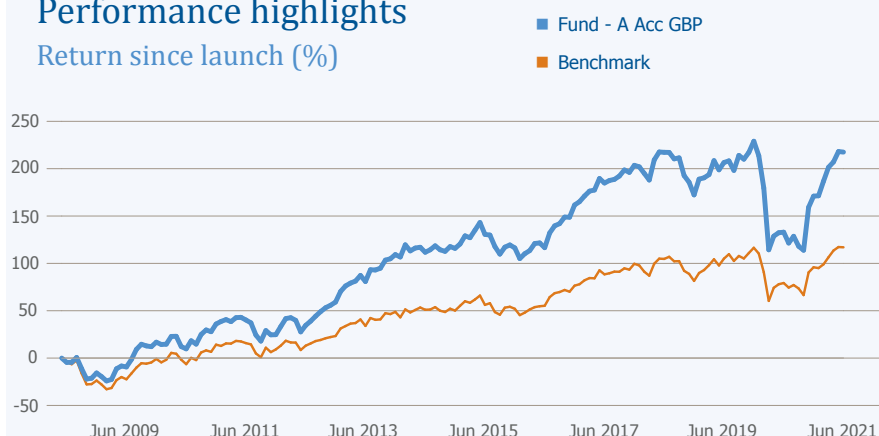
JOHCM UK Dynamic Fund

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	-0.18	5.32	36.30	0.07	46.62	126.46	217.51	9.26
Benchmark	-0.13	5.09	21.04	5.98	39.77	87.39	116.97	6.12
Quartile**	2	2	1	4	2	1	1	-

Discrete 12 month performance to

	30.06.2021	30.06.2020	30.06.2019	30.06.2018	30.06.2017
A Acc GBP	36.30	-24.00	-3.40	11.39	31.53

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.

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. 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 1.29bn
Strategy size	GBP 1.65bn
Launch date	16 June 2008
Benchmark	FTSE All-Share TR (12pm adjusted)
No. of holdings	40
Domicile	UK
Fund structure	UCITS
Denominations	GBP
Valuation point	12pm Dublin time
Historic Yield (%)	2.33
XD date	31-Dec
Pay date	28-Feb

Total strategy assets updated quarterly and shown as at 30 June 2021.

Fund managers



Alex Savvides

Senior Fund Manager

Alex has managed the Fund since launch. He joined JOHCM in 2003 and has 24 years of industry experience.



Tom Matthews

Analyst

Tom has worked on the Fund since he joined JOHCM in 2013 and has 15 years of industry experience.

Contact details

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Portfolio analysis (%)

Data as at 30 June 2021

Top 10 holdings

	Absolute	Relative
Daily Mail and Gen. Trust	5.5	5.5
Aviva	5.2	4.6
Anglo American	4.9	3.4
ConvaTec Group	4.7	4.6
Barclays	4.6	3.4
3i	4.6	4.1
Morrisons	4.3	4.1
BP	4.3	1.6
WPP	4.0	3.5
Vodafone	3.9	2.5
Total	46.0	

Active bets

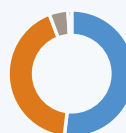
Top 5	Relative
Daily Mail and Gen. Trust	5.5
Aviva	4.6
ConvaTec Group	4.6
3i	4.1
Morrisons	4.1
Bottom 5	Relative
AstraZeneca	-4.8
Diageo	-3.3
Rio Tinto	-2.7
British American Tobacco	-2.7
Shell	-2.4

Sector breakdown

	Absolute	Relative
Consumer Discretionary	20.1	7.5
Telecommunications	3.9	1.6
Technology	2.6	0.6
Industrials	13.2	0.4
Real Estate	3.5	0.4
Financials	22.6	-0.1
Energy	6.5	-1.1
Health Care	8.1	-1.1
Utilities	1.7	-1.3
Basic Materials	6.2	-3.3
Consumer Staples	10.7	-4.6
Cash	1.0	1.0

Market cap breakdown

	Absolute
FTSE 100	51.9
FTSE 250	42.4
FTSE Small	4.8
Cash	1.0



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

Attribution & contribution (%)

Stock attribution

Top contributors	Relative return
Morrisons	1.25
Daily Mail and Gen. Trust	0.43
HSBC	0.17
Prudential	0.14
Electrocomponents	0.13
Top detractors	
AstraZeneca	-0.34
Anglo American	-0.29
Barclays	-0.24
Melrose Industries	-0.23
Crest Nicholson	-0.18

Sector attribution*

	Relative return
Consumer Staples	1.06
Consumer Discretionary	0.58
Real Estate	0.05
Energy	-0.12
Utilities	-0.12
Telecommunications	-0.13
Technology	-0.17
Financials	-0.19
Basic Materials	-0.21
Health Care	-0.28
Industrials	-0.37

*Excludes cash

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 paused for breath in June having pushed higher over the second quarter.
- The Fund performed broadly in line with the benchmark in June and marginally outperformed in Q2 as a whole.
- In light of the technical headwinds in June, it was pleasing to deliver a third consecutive quarter of outperformance, with the Fund continuing to demonstrate idiosyncratic value generation.

Global equity markets paused for breath in June having pushed higher over the second quarter, as investors computed PMIs rolling-over from record highs and new projections from the US Federal Reserve that showed the next rate rise would be a year earlier than expected. Previously heightened expectations of inflation began to unwind leading bond yields lower – the US generic 10-year Treasury unwound four months of gains.

The Fund performed broadly in line with the benchmark over the month and marginally outperformed in Q2 as a whole. In light of the technical headwinds in June, it was pleasing to deliver a third consecutive quarter of outperformance, with the Fund continuing to demonstrate the idiosyncratic value generation it can deliver, in our opinion.

At our Q3 2020 investor update, we spoke of the likelihood of increased M&A in the UK given the arbitrage between corporate bond yields and earnings yields. Since then the Fund has received confirmed approaches for seven of its companies out of a portfolio of close to 40 (as we write this a further possible offer is being made for DMGT). This is a level of corporate activity that is unheard of in the history of this Fund and demonstrates how marked valuation discounts have been in UK equities.

Four of the approaches occurred in Q2. Whilst two, Ultra Electronics and Elementis, resulted in no offers being recommended by their respective boards, an offer for St Modwen Properties was accepted with the price subsequently raised 3.3%, arguably in large part due to successful active engagement by this Fund. Wm Morrison Supermarkets is currently the subject of a bidding war between private equity firms, with an offer of 254p accepted by the board. We believe that a price approaching 270p should be considered, a view which we have expressed publicly. (Please see the latest 'Under the Bonnet' for clarification of trading activity in Morrisons by JOHCM UK equity teams in response to recent exaggerated media comments.)

It was not just M&A that delivered differentiated returns over the quarter. There were a number of very strong operational updates. Convatec's shares demonstrated how quickly valuations can change, rising from near 12-month relative lows to 10-month relative highs following a Q1 update that showed another strong period of operational performance, particularly in Wound Care, with revenue growth exceeding underlying market growth, demonstrating the turnaround continues to build at pace. Likewise, IMI, a newer position in the Fund, had an unscheduled Q1 update, upgrading full year guidance by 7% and announcing a £200m buy-back as growth in both margins and revenues accelerated ahead of expectations as management's transformation plan began to deliver.

A solid Q1 from Man Group was accompanied by a strong outlook statement for the full year. Whilst there were minimal upgrades, the margin of safety continues to build.

Performance over 1 month	%
Fund - A Acc GBP	-0.18
Benchmark	-0.13

Statistics

	Annualised since launch
Active share* (%)	78.76
Fund volatility (%)	19.66
Benchmark volatility (%)	18.50
Alpha	3.03
R squared	0.93
Correlation	0.96
Tracking error (%)	5.15
Information ratio	0.61
Sharpe ratio	0.44

Data calculated weekly.

*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



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Country registration

	A Acc GBP	A Dis GBP	B Acc GBP	B Dis GBP	Y Acc GBP	Y Dis GBP
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%	0.80%	£1,000
A Dis GBP	GB00B4T85529	B4T8552	JODYNII LN	A0YKNG	Up to 5%	0.75%	0.80%	£1,000
B Acc GBP	GB00B4T7JX59	B4T7JX5	JODYNRA LN	A0YKNF	Up to 5%	1.25%	1.31%	£1,000
B Dis GBP	GB00B4TXJ339	B4TXJ33	JODYNRI LN	A0YKNE	Up to 5%	1.25%	1.31%	£1,000
Y Acc GBP	GB00BDZRJ101	BDZRJ10	JODYAGB LN	A1XCA0	Up to 5%	0.625%	0.68%	£50,000,000
Y Dis GBP	GB00BDZRJ218	BDZRJ21	JODYIGB LN	A1XCA1	Up to 5%	0.625%	0.68%	£50,000,000

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

Ongoing Charge is as at 30 June 2021.

*Other currency equivalents apply.

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