

**SHINING A LIGHT ON THE.....
JOHCM Asia ex-Japan Fund**

AT A GLANCE

Investment Objective	
The Fund aims to achieve its investment objective primarily through investment in equity securities of companies domiciled or exercising the predominant part of their economic activities in Asia excluding Japan. The Fund will generally invest in stocks of companies from the consumer, telecoms, infrastructure, internet or brand ownership sectors which have market capitalisation of greater than US\$500 million. The Fund may also hold stocks of companies with market capitalisations of greater than US\$10 billion.	

Inception Date	30 th September 2011
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000N2H6

Management	
Manager Name	Start Date
Samir Mehta	30 th September 2011

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	54.35%
Large	30.61%
Medium	13.24%
Small	0.00%
Micro	1.79%

Top 10 Holdings		
Total number of holdings	45	
Assets in Top 10 Holdings	38.85%	
Name	Sector	% of Assets
Weibo Corp ADR Class A	Technology	6.33%
Tencent Holdings Ltd	Technology	5.13%
Taiwan Semiconductor Manufacturing Co	Technology	4.77%
Prada SpA	Consumer Cyclical	3.93%
Sands China Ltd	Consumer Cyclical	3.53%
Reliance Industries Ltd	Energy	3.19%
China Merchants Bank Co Ltd Class H	Financial Services	3.09%
Perusahaan Rokok Tjap Gudang Garam Tbk	Consumer Defensive	3.03%
LG Household & Health Care Ltd	Consumer Defensive	2.97%
Genting Malaysia Bhd	Consumer Cyclical	2.88%

Volatility Measurements	
3-Yr Std Dev (volatility)	14.32%
3-Yr Mean Return (average)	9.25%

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FUND PERFORMANCE

Performance from 1st January 2013 to 30th April 2018:

	2013	2014	2015	2016	2017	2018
JOHCM Asia ex-Japan Fund	4.44%	14.23%	-0.80%	23.00%	21.02%	-7.53%
iShares MSCI AC Far East exJapan ETF	0.54%	8.54%	-5.92%	27.34%	28.84%	-0.68%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since launch
JOHCM Asia ex-Japan Fund	0.15%	26.60%	41.89%	110.97%
iShares MSCI AC Far East exJapan ETF	16.74%	33.79%	60.25%	105.77%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

We have met the manager a few times and this time around it seemed that he was unwilling to spend much time talking about the fund. This might reflect that after an initial positive start when the fund was launched, performance has really struggled and started to fall back. It was difficult in this update to get to the route of where the problems are.

We talked about where Asia is and if there are opportunities. Where he started the year feeling positive with synchronised global growth, benign inflation and rising rates and China tackling over capacity in industrial sectors, he is now starting to feel slightly negative about the region.

Valuations are not excessive and there are opportunities but talk of trade sanctions is having an impact. Companies are feeling uncertain and areas like agriculture and technology seem to be the hardest hit. With specific sanctions on ZTE and Huawei (large global tech hardware companies) this naturally feeds down into the supply chain.

The risks now are simply that no-one knows where the US will go next. The concern is that what seems like a good stock can quickly fall out of favour if it is caught in trade sanctions. The other concern is that currency across the region will start to come under pressure.

Other concerns are higher than expected inflation in the US which could come from a trade war, and how this could lead to tighter monetary policy and a strong dollar. All factors which are negative for the region.

In terms of the portfolio he has started to cut back on cyclical exposure and move towards quality orientated companies. An example would be LG Holdings which has more of a domestic focus.

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In summary, the fund started out with strong performance but has struggled over the last couple of years. The manager clearly has a negative outlook for the region and could be buying already expensive stocks to provide some downside protection. On performance this fund would be hard to recommend but we know the fund manager well and he could turn things around. The question is whether he can do it this time around.

The source of information in this note has been provided by JOHCM and is correct as at April 2018. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.