

**SHINING A LIGHT ON THE.....  
JOHCM UK Dynamic Fund**

**AT A GLANCE**

<b>Investment Objective</b>	
<p>The investment objective of the Fund is to achieve long-term capital growth. Investments will primarily be drawn from companies listed on either of the two primary markets of the London Stock Exchange: the main market and AIM. At least 75% of the Fund's assets will at all times be invested in equity securities of companies domiciled or exercising the predominant part of their economic activity in the United Kingdom. The Fund may on occasion utilize this position to invest a proportion of its assets in equities listed on a recognized exchange outside the UK. Investment will be made primarily in equity securities which are readily marketable, but investments will also be made in equity securities of smaller companies which can be more lightly traded. The portfolio is likely to be fairly concentrated with the Fund typically holding equity interests in between 35 and 50 different companies.</p>	

<b>Inception Date</b>	16 <sup>th</sup> June 2008
<b>Fund Factsheet Link</b>	<a href="http://www.morningstar.co.uk/uk/funds/snaps-hot/snapshot.aspx?id=F00000461H">http://www.morningstar.co.uk/uk/funds/snaps-hot/snapshot.aspx?id=F00000461H</a>

<b>Management</b>	
<b>Manager Name</b>	<b>Start Date</b>
Alex Savvides	16 <sup>th</sup> June 2008

<b>Investment Style Details</b>	
<b>Equity Style</b>	
<b>Market Capitalisation</b>	<b>% of Equity</b>
Giant	34.76%
Large	16.25%
Medium	15.34%
Small	24.34%
Micro	9.32%

<b>Top 10 Holdings</b>		
<b>Total number of holdings</b>	44	
<b>Assets in Top 10 Holdings</b>	45.52%	
<b>Name</b>	<b>Sector</b>	<b>% of Assets</b>
BP PLC	Energy	6.17%
Royal Dutch Shell PLC B	Energy	5.86%
GlaxoSmithKline PLC	Healthcare	4.99%
HSBC Holdings PLC	Financial Services	4.88%
Morrison (Wm) Supermarkets PLC	Consumer Defensive	4.07%
Lloyds Banking Group PLC	Financial Services	4.05%
3i Ord	-	4.00%
Aviva PLC	Financial Services	3.85%
Vodafone Group PLC	Communication Services	3.83%
Electrocomponents PLC	Industrials	3.81%

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Volatility Measurements	
3-Yr Std Dev (volatility)	10.74%
3-Yr Mean Return (average)	9.63%

## FUND PERFORMANCE

Performance from 1<sup>st</sup> January 2013 to 30<sup>th</sup> April 2018:

	2013	2014	2015	2016	2017	2018
<b>JOHCM UK Dynamic Fund</b>	31.34%	3.02%	-0.06%	21.13%	15.38%	1.74%
<b>Lyxor FTSE All Share ETF</b>	20.16%	0.53%	1.08%	15.44%	11.64%	0.30%

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

	1 year	3 years	5 years	Since launch
<b>JOHCM UK Dynamic Fund</b>	10.92%	30.18%	68.43%	204.26%
<b>Lyxor FTSE All Share ETF</b>	7.66%	21.31%	43.25%	91.34%

*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....

The key difference with this fund is the investment style which focuses on those companies that are going through some form of transformation. Often these are unloved and for that reason missed by many in the market. The main sectors for the fund include Financials, Consumer Services, Industrials and Oil and Gas.

The end of 2017 was difficult for the fund but they managed to recapture some of the underperformance coming into 2018. The volatility during 2018 has enabled them to add to the likes of GKN, Tesco and Money Supermarket. They have sold down holdings in Britvic after strong performance in 2017.

Some examples of where they see opportunities include:

Money Supermarket – this is facing very uncertain times and the recent trading statement has meant the market has fallen out of love with the company. Alex believes the management are doing the right things to turn the company and as the shares dropped 15% this was an opportunity to buy a company with cash on its books and paying a dividend of 5% at a discounted price.

Restaurant Group – these are the owners of Frankie and Benny's. A new management team and board has seen a new strategy implement and this is feeding into improved results whilst others are struggling. It is really cash generative and paying a dividend of 6%. He believes this to be an undervalued company with significant hidden value.

Morrisons – most investors are concerned about the merger of Asda and Sainsburys and how this will impact Morrisons. Morrisons are focusing on a different part of the market which seems to be missed

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by many. Their focus is on Aldi and Lidl. In doing this they are starting to turn around their business with better pricing and have been able to give money back to shareholders via a special dividend.

Other examples he talked about were Qinetiq and Urban and Civic.

He believes that the UK is out of favour, and this means that he can profit from this uncertainty and buy into good companies, going through change at cheap valuations.

In summary, Alex set up the fund in 2008 and has managed it since then. It has delivered strong performance, but investors need to be aware that his style is to invest in often neglected, beaten up stocks. Patience is therefore needed but Alex believes over the long-term investors will be rewarded.

*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.*