

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

AT A GLANCE

Investment Objective	
<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>	

Inception Date	16 th June 2008
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000461H

Management	
Manager Name	Start Date
Alex Savvides	16 th June 2008

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	17.02%
Large	24.01%
Medium	22.16%
Small	24.86%
Micro	11.95%

Top 10 Holdings		
Total number of holdings	46	
Assets in Top 10 Holdings	39.55%	
Name	Sector	% of Assets
GlaxoSmithKline PLC	Healthcare	5.17%
3i Ord	-	4.59%
BP PLC	Energy	4.30%
Anglo American PLC	Basic Materials	3.96%
Barclays PLC	Financial Services	3.95%
Royal Dutch Shell PLC B	Energy	3.64%
Morrison (Wm) Supermarkets PLC	Consumer Defensive	3.64%
Vodafone Group PLC	Communication Services	3.63%
Aviva PLC	Financial Services	3.37%
Electrocomponents PLC	Industrials	3.32%

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Volatility Measurements	
3-Yr Std Dev (volatility)	12.59%
3-Yr Mean Return (average)	0.53%

FUND PERFORMANCE

Performance from 1st January 2014 to 29th February 2020:

	2014	2015	2016	2017	2018	2019	2020
JOHCM UK Dynamic Fund	3.02%	-0.06%	21.13%	15.38%	-10.73%	20.25%	-15.12%
FTSE UK All Share Index	1.18%	0.98%	16.75%	13.10%	-9.47%	19.17%	-11.85%

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

	1 year	3 years	5 years	Since Launch
JOHCM UK Dynamic Fund	-4.24%	1.60%	19.55%	172.47%
FTSE UK All Share Index	-1.43%	4.66%	19.12%	90.93%

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....

***This update has been written at the time of Coronavirus Pandemic in 2020 which has impacted the global financial markets in a way that has never been seen before.**

With this fund it is worth repeating what it looks to achieve:

The fund has a “value” bias. This is not the traditional “buy cheap and hope it will go up”. This is about identifying those companies that can turn around and grow in the future. It means that they recognise the need for change and have the potential to deliver on this.

If a company is structurally broken, then it cannot change, and they will not buy it. The view of the manager is that fear can be misplaced and that is where they can make money. A company that has fallen on hard times can be unloved but with the right attitude can be a good long-term investment. They are happy to hold for 10 years plus.

In the current market volatility, the fund has suffered significantly and at the end of March was down 35% against a benchmark of 27%. This update was to understand more from the manager and what the plans were moving forward. The manager explained that the speed and pace took them by surprise with everything coming down and this has led to many challenges. Having said that he remains positive about the prospects moving forward. Over the last week they have interacted with 50% of the companies and trading statements are starting to be issued.

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The focus for them is on the cash flow of companies and the liquidity positions. How long can they last during a period of shut down and then recovery. He believes there is more of a move to a u shape recovery than v shape.

Some of the hardest hit stocks are the Restaurant Group and McCarthy Stone. A trading statement from Restaurant Group has said they have enough cash to last this year. McCarthy Stone have stated they could survive 2 ½ years without selling anything. So, although the companies have been hit hard the balance sheets are strong enough to survive and if they did need to raise some capital in the markets it would be likely the market would be supportive of this.

Holdings including Morrison, Tesco and Rio have done well for the fund. In terms of flows they have been net positive this year and liquidity within the market has improved. They have therefore been able to use this money. The only company they have removed is SIG and they have used this towards Travis Perkins.

They are adding to some of the newer positions like Direct Line, Provident, Man Group and WPP. The team have clearly been taken aback by the underperformance but remain committed to delivery outperformance moving forward. They believe there are opportunities and the bounce will come at some point.

In summary, the fund has struggled in this recent environment. It does a value slant, but the team have made little changes and have been adding to existing holdings. They believe the fund is positioned for the bounce when it comes.

The source of information in this note has been provided by JOHCM and is correct as at March 2020. 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.