

**SHINING A LIGHT ON THE.....
JOHCM UK Equity Income Fund**

AT A GLANCE

Investment Objective	
The aim of the Fund is to achieve long-term capital appreciation and generate an above average dividend yield which will grow over time primarily through investment in transferable securities although the Fund may also be invested in money market instruments, deposits, warrants and units in other collective investment schemes. The Fund will aim to achieve this objective mainly through investments in equity securities that are listed on the London Stock Exchange (or other relevant UK exchanges). The vast majority of stocks selected will be constituents of the FTSE350 Index although there is likely to also be a number of smaller company stocks. Performance of the Fund will be measured against the FTSE All Share Total Return Index (the "UK Index").	

Inception Date	30 th November 2004
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=FOGBR05RDS

Management	
Manager Name	Start Date
James Lowen	30 th November 2004
Clive Beagles	30 th November 2004

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	14.17%
Large	35.45%
Medium	22.87%
Small	13.39%
Micro	14.12%

Top 10 Holdings		
Total number of holdings	56	
Assets in Top 10 Holdings	41.36%	
Name	Sector	% of Assets
BP PLC	Energy	6.80%
Royal Dutch Shell PLC B	Energy	5.26%
Lloyds Banking Group PLC	Financial Services	4.58%
Barclays PLC	Financial Services	4.22%
Glencore PLC	Basic Materials	3.80%
Tesco PLC	Consumer Defensive	3.51%
Aviva PLC	Financial Services	3.45%
Legal & General Group PLC	Financial Services	3.30%
ITV PLC	Communication Services	3.24%
Standard Life Aberdeen PLC	Financial Services	3.20%

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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	1.58%	1.46%	16.92%	18.11%	-13.19%	20.02%	-15.01%
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	-4.77%	1.46%	17.14%	266.14%
FTSE UK All Share Index	-1.43%	4.66%	19.12%	168.62%

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....

These updates have been written at the time of the Coronavirus Pandemic, in 2020 which has impacted the global financial markets in a way that has never been seen before.

This was our first introduction to the team at a time when the market is significantly down. The fund itself year to date is down just over 35%, having been down over 40% at one point against the index which is down over 27%.

Some of the winners for them have been Tesco's and Unilever, but other stocks like Countryside and Brewin Dolphin have been negative contributors. Brewin Dolphin was down over 70% at one point. About 22% of the fund is defensive core and this includes the likes of Vodafone, Hipgnosis, Phoenix and SEE and these have held up relatively well. They have been adding to some of the current holdings where the prices have come down significantly.

Phoenix is an example where the share price was down 40% but this is a very well-run business, hedging out much of the market risks as they can with strong cash flow where of this is shared with investors.

Companies like Countryside, GallifordTry, Eurocell and Tyman will all be part of the recovery and therefore holding these is important to the overall positioning of the fund moving forward. They have only sold out of HSBC which had outperformed, and they felt was overvalued.

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Much of the work has been interacting with companies to understand the potential long-term risks. McCarthy and Stone are trading at a third of their book value but can continue to trade without selling a single property for the next 2.5 years. GallifordTry has 90% of its contracts with the government and is trading at average cash value.

Some companies have delayed or stopped dividends. At this stage they do not know the impact of this and they are looking at whether these moves are temporary for cash flow or a more permanent move.

In summary, at this stage it is difficult for us to analysis the fund coming into a market correction. The focus for them is well financed businesses who will come through this and have low levels of debt. Clearly some of these businesses will be challenged and dividends could be cut. It will be interesting to see how this fund responds over the coming months.

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.