

J O Hambro Capital Management  
Umbrella Fund plc  
**2019**

Condensed Interim Report & Financial Statements (unaudited)  
for the six months ended 30 June 2019

# General information

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## Reporting fund status

Where "reporting fund" status is obtained, Shareholders who are resident in the United Kingdom for tax purposes (other than persons who are dealing in the Shares who are subject to different rules) should be liable to capital gains tax (or corporation tax on chargeable gains) in respect of any gain realised on disposal or repurchase of the Shares or on conversion from one sub-fund to another within the Company.

Each sub-fund has received certification as a "reporting fund" under the UK reporting fund regime. It is intended that the Company will conduct its affairs so as to enable each sub-fund to maintain "reporting fund" status.

It cannot, however, be guaranteed that "reporting fund" status will be maintained in respect of any relevant period of account. It should be noted that it is not necessary to obtain "reporting fund" status on an annual or certificated basis; a sub-fund that obtains "reporting fund" status will maintain that status until such time as a material breach of the reporting regime occurs (for example, if the sub-fund does not report its income as required).

## Further information

The following information is available free of charge at [www.johcm.com](http://www.johcm.com):

- The Key Investor Information Documents ("KIIDs"), Prospectus, Annual and Interim reports of the Company. Hard copies are available upon written request to the Investment Manager or the Administrator.
- Information on the sub-funds and their share classes.
- Share prices.

Further information is available from the Administrator:

RBC Investor Services Ireland Limited  
4th Floor, One George's Quay Plaza  
George's Quay  
Dublin 2  
Ireland

## J O Hambro Capital Management Umbrella Fund plc

An umbrella type open-ended investment company with variable capital incorporated with limited liability in Ireland. Registration number 345142.

### Board of Directors

Robert Burke	(Independent non-executive director)
Graham Warner	(Independent non-executive director)
Helen Vaughan	(Non-executive director)
Máire O'Connor	(Independent non-executive director)

### Governance Provider

Carne Global Financial Services Limited  
2nd Floor, Block E  
Iveagh Court, Harcourt Road  
Dublin  
Ireland

### Depository

RBC Investor Services Bank S.A.,  
Dublin Branch  
4th Floor, One George's Quay Plaza  
George's Quay  
Dublin 2, Ireland

### Paying Agent in Liechtenstein

VP Fund Solutions (Liechtenstein) AG  
Aeulestrasse 6  
9490 Vaduz  
Liechtenstein

### Company Secretary and Registered Office

HMP Secretarial Limited  
Riverside One  
Sir John Rogerson's Quay  
Dublin 2 D02 X576  
Ireland

### Administrator, Registrar and Transfer Agent

RBC Investor Services Ireland Limited  
4th Floor, One George's Quay Plaza  
George's Quay  
Dublin 2, Ireland

### Paying Agent and Tax Representative in Austria

Erste Bank der Osterreichischen  
Sparkassen AG  
Graben 21, A-1010 Vienna  
Austria

### Legal advisers in Ireland

McCann FitzGerald  
Riverside One  
Sir John Rogerson's Quay  
Dublin 2  
Ireland

### Swiss Representative and Paying Agent in Switzerland

RBC Investor Services Bank S.A.  
Esch-sur-Alzette, Zürich Branch  
Bleicherweg 7, CH-8027 Zurich  
Switzerland

### Paying Agent in Sweden

Skandinaviska Enskilda Banken  
AB (publ)  
Sergels Torg 2  
SE-106 40 Stockholm  
Sweden

### Legal advisers in the United Kingdom

MacFarlanes  
20 Cursitor Street  
London EC4A 1LT  
England

### Paying Agent in Luxembourg

RBC Investor Services Bank S.A.  
14 Porte de France  
L-4360 Esch-sur-Alzette  
Luxembourg

### Paying Agent, Distributor and Nominee in Spain

Bancoval Securities Services, S.A.  
Fernando el Santo, 20  
Madrid  
Spain

### Auditors

Ernst & Young  
Chartered Accountants  
Ernst & Young Building  
Harcourt Centre, Harcourt Street  
Dublin 2, Ireland

### Information Agent in Germany

German Fund Information Service  
UG (publ)  
Zum Eichhagen 4  
D-21382 Brietlingen  
Germany

### Promoter, Investment Manager, Distributor and UK Facilities Agent

J O Hambro Capital Management  
Limited  
Level 3, 1 St James's Market  
London, SW1Y 4AH

### Centralising Correspondent in France

RBC Investor Services Bank France  
105 Rue Réaumur  
75002 Paris  
France

# Condensed Statement of Financial Position

as at 30 June 2019

		JOHCM Continental European Fund	
		30 June 2019	31 December 2018
<b>ASSETS</b>	Financial assets at fair value through profit or loss:		
<b>(£'000)</b>	Investments in transferable securities (note 8)	1,116,640	1,265,347
	Investments in financial derivative instruments (note 8)	-	62
	Cash and cash equivalents (note 2)	47,614	61,533
	Dividends receivable (note 2)	-	763
	Subscriptions receivable (note 2)	716	1,126
	Amounts due from brokers (note 2)	18,066	6,669
	Other receivables	858	682
	<b>Total assets</b>	<b>1,183,894</b>	<b>1,336,182</b>
<b>LIABILITIES</b>	Financial liabilities at fair value through profit or loss:		
<b>(£'000)</b>	Investments in financial derivative instruments (note 8)	36	106
	Bank overdraft (note 2)	3	76
	Redemptions payable (note 2)	4,814	2,486
	Amounts due to brokers (note 2)	10,153	17,721
	Management, directors' and advisory fees payable (note 6)	734	934
	Performance fee payable (note 6)	-	145
	Administration and transfer agency fee payable (note 6)	80	25
	Other payables	247	173
	<b>Liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>	<b>16,067</b>	<b>21,666</b>
	<b>Net assets attributable to holders of redeemable participating shares</b>	<b>1,167,827</b>	<b>1,314,516</b>
<b>REDEEMABLE PARTICIPATING SHARES</b>			
Class A	GBP Class A Shares in issue ('000)	52,797.762	67,923.138
	Net asset value per Share	£4.472	£4.029
	GBP Hedged Class A Shares in issue ('000)	37,244.570	53,024.293
	Net asset value per Share	£1.180	£1.126
	EUR Class A Shares in issue ('000)	50,620.712	66,863.338
	Net asset value per Share	€3.475	€3.174
	JPY Class A Shares in issue ('000)	-	-
	Net asset value per Share	-	-
	USD Class A Shares in issue ('000)	11,507.441	16,405.973
	Net asset value per Share	\$1.311	\$1.179
Class B	GBP Class B Shares in issue ('000)	12,450.471	14,460.768
	Net asset value per Share	£4.315	£3.884
	GBP Hedged Class B Shares in issue ('000)	-	-
	Net asset value per Share	-	-
	EUR Class B Shares in issue ('000)	6,393.389	8,292.474
	Net asset value per Share	€3.502	€3.153
	JPY Class B Shares in issue ('000)	-	-
	Net asset value per Share	-	-
	USD Hedged Class B Shares in issue ('000)	12,445.196	15,668.471
	Net asset value per Share	\$1.341	\$1.190
X Shares	EUR X Shares in issue ('000)	-	-
	Net asset value per Share	-	-
	GBP Hedged X Shares in issue ('000)	220.040	5,365.940
	Net asset value per Share	£0.891	£0.912
Y Shares	GBP Y Shares in issue ('000)	296,644.878	351,315.803
	Net asset value per Share	£1.647	£1.486
	EUR Y Shares in issue ('000)	101,263.188	104,436.719
	Net asset value per Share	€1.339	€1.187
	GBP Hedged Y Shares in issue ('000)	16,801.172	39,306.861
	Net asset value per Share	£1.229	£1.103
Non-Distributing Shares	EUR E Shares in issue ('000)	-	-
	Net asset value per Share	-	-

The accompanying notes form an integral part of the financial statements.

Condensed Statement of Financial Position (continued)

JOHCM UK Growth Fund		JOHCM European Select Values Fund		JOHCM Japan Fund	
30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
269,986	349,275	1,879,278	1,958,535	263,126	354,469
-	-	2,211	22,158	61	9
4	-	30,096	48,268	2,030	1,372
179	591	-	-	238	384
277	464	496	198	154	262
2,533	337	960	890	2,867	4,178
7	9	746	712	1	1
<b>272,986</b>	<b>350,676</b>	<b>1,913,787</b>	<b>2,030,761</b>	<b>268,477</b>	<b>360,675</b>
-	-	1	1	1	295
1,760	941	-	347	-	4,638
511	202	2,484	991	1,371	2,364
394	239	-	225	287	-
191	255	1,517	1,813	193	270
-	-	-	-	-	-
35	10	62	19	61	19
28	22	326	192	66	47
<b>2,919</b>	<b>1,669</b>	<b>4,390</b>	<b>3,588</b>	<b>1,979</b>	<b>7,633</b>
<b>270,067</b>	<b>349,007</b>	<b>1,909,397</b>	<b>2,027,173</b>	<b>266,498</b>	<b>353,042</b>
71,673.767	102,451.851	6,887.651	7,478.893	76,348.771	109,726.264
£3.300	£3.055	£5.770	£5.232	£2.301	£2.201
-	-	-	-	32,712.061	44,020.410
-	-	-	-	£1.515	£1.492
-	-	315,374.337	367,423.368	456.640	1,982.554
-	-	€3.575	€3.239	€1.622	€1.579
-	-	-	-	3,767.566	4,624.858
-	-	-	-	¥302.944	¥298.186
-	-	-	-	-	-
-	-	-	-	-	-
11,720.417	13,617.640	578.460	637.159	3,045.750	3,330.038
£2.863	£2.645	£5.285	£4.768	£2.246	£2.139
-	-	-	-	16,033.483	16,797.753
-	-	-	-	£1.548	£1.516
-	-	327,370.980	356,320.231	16,033.483	40.287
-	-	€2.394	€2.164	£1.548	€1.486
-	-	-	-	248.685	307.208
-	-	-	-	¥299.393	¥293.132
-	-	-	-	-	-
-	-	-	-	-	-
-	-	41,763.080	49,289.014	-	-
-	-	€1.712	€1.545	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	73,787.580	150,204.146	-	-
-	-	€1.312	€1.170	-	-

## Condensed Statement of Financial Position (continued)

		<b>JOHCM Global Select Fund</b>	
		<b>30 June 2019</b>	<b>31 December 2018</b>
<b>ASSETS</b>	Financial assets at fair value through profit or loss:		
<b>(£'000)</b>	Investments in transferable securities (note 8)	1,735,599	1,664,090
	Investments in financial derivative instruments (note 8)	-	-
	Cash and cash equivalents (note 2)	176,900	205,966
	Dividends receivable (note 2)	335	1,470
	Subscriptions receivable (note 2)	1,453	1,039
	Amounts due from brokers (note 2)	-	-
	Receivable from investment manager	-	-
	Other receivables	2	13
	<b>Total assets</b>	<b>1,914,289</b>	<b>1,872,578</b>
<b>LIABILITIES</b>	Financial liabilities at fair value through profit or loss:		
<b>(£'000)</b>	Investments in financial derivative instruments (note 8)	2	1
	Bank overdraft (note 2)	3	-
	Redemptions payable (note 2)	595	871
	Amounts due to brokers (note 2)	-	-
	Management, directors' and advisory fees payable (note 6)	1,304	1,544
	Performance fee payable (note 6)	-	-
	Administration and transfer agency fee payable (note 6)	55	18
	Provision on capital gain tax	-	-
	Other payables	351	261
	<b>Liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>	<b>2,310</b>	<b>2,695</b>
	<b>Net assets attributable to holders of redeemable participating shares</b>	<b>1,911,979</b>	<b>1,869,883</b>
<b>REDEEMABLE PARTICIPATING SHARES</b>			
Class A	GBP Class A Shares in issue ('000)	11,673.994	11,568.953
	Net asset value per Share	£3.325	£2.805
	EUR Class A Shares in issue ('000)	86,255.783	88,611.237
	Net asset value per Share	€2.982	€2.515
	USD Class A Shares in issue ('000)	18,660.987	27,489.616
	Net asset value per Share	\$1.740	\$1.477
Class B	GBP Class B Shares in issue ('000)	19,288.267	29,973.819
	Net asset value per Share	£3.203	£2.689
	EUR Class B Shares in issue ('000)	318,315.675	329,466.716
	Net asset value per Share	€2.883	€2.423
	USD Class B Shares in issue ('000)	28,772.023	31,527.704
	Net asset value per Share	\$1.981	\$1.674
Y Shares	GBP Y Shares in issue ('000)	-	-
	Net asset value per Share	-	-
	USD Y Shares in issue ('000)	-	-
	Net asset value per Share	-	-
Z Shares	GBP Z Shares in issue ('000)	242,039.092	242,658.678
	Net asset value per Share	£2.367	£2.018
	USD Z Shares in issue ('000)	74,149.966	75,900.761
	Net asset value per Share	\$1.937	\$1.650
	CAD Z Shares in issue ('000)	-	-
	Net asset value per Share	-	-
	AUD Z Shares in issue ('000)	-	-
	Net asset value per Share	-	-
Non-Distributing Shares	EUR E Shares in issue ('000)	-	207,261.756
	Net asset value per Share	-	€0.970

The accompanying notes form an integral part of the financial statements.

## Consolidated Statement of Financial Position (continued)

JOHCM Emerging Markets Fund		JOHCM Global Emerging Markets Opportunities Fund		JOHCM Asia ex-Japan Fund	
30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
4,817	8,452	350,671	282,494	126,011	171,180
-	-	-	-	-	1
109	332	15,861	9,657	527	2,461
23	16	2,784	1,109	356	220
-	2	69	1	5	86
16	8	199	605	33	1
226	176	55	33	-	-
9	-	11	-	5	3
<b>5,200</b>	<b>8,986</b>	<b>369,650</b>	<b>293,899</b>	<b>126,937</b>	<b>173,952</b>
-	-	-	1	-	-
-	-	-	-	-	-
-	-	147	51	131	2,733
55	41	259	2,554	-	-
-	-	200	174	139	198
9	10	40	-	-	-
42	13	58	18	45	13
-	-	-	-	30	-
30	5	130	45	82	41
<b>136</b>	<b>69</b>	<b>834</b>	<b>2,843</b>	<b>427</b>	<b>2,985</b>
<b>5,064</b>	<b>8,917</b>	<b>368,816</b>	<b>291,056</b>	<b>126,510</b>	<b>170,967</b>
301.535	300.708	2,785.701	5,100.552	7,435.121	19,726.732
£1.250	£1.154	£1.392	£1.251	£1.980	£1.805
2.325	2.325	12,001.823	7,266.849	3,499.460	8,202.144
€1.398	€1.284	€1.458	€1.311	€1.859	€1.762
113.627	113.526	17,264.851	16,201.661	10,868.679	13,538.488
\$1.394	\$1.288	\$1.139	\$1.032	\$1.569	\$1.491
196.863	205.256	135.686	149.152	59.950	96.716
£1.391	£1.280	£1.339	£1.201	£1.956	£1.777
341.724	540.099	1,670.310	100.217	1,398.565	1,665.954
€1.365	€1.258	€1.442	€1.286	€1.892	€1.725
2,761.118	2,834.518	89,660.237	88,830.422	68,827.263	89,507.362
\$1.380	\$1.279	\$1.488	\$1.341	\$1.601	\$1.461
638.561	3,789.685	21,270.766	13,880.844	-	-
£1.352	£1.251	£1.678	£1.514	-	-
-	-	24,253.429	8,186.454	-	-
-	-	\$1.382	\$1.265	-	-
-	-	247.223	179.522	1,114.668	1,133.916
-	-	£1.752	£1.585	£1.403	£1.283
-	-	-	-	1,971.817	-
-	-	-	-	\$1.045	-
-	-	127,671.243	117,727.170	-	-
-	-	CA\$1.563	CA\$1.484	-	-
-	-	42,186.277	42,603.206	-	-
-	-	AU\$1.858	AU\$1.683	-	-
-	-	-	-	-	-
-	-	-	-	-	-

## Condensed Statement of Financial Position (continued)

		<b>JOHCM Asia ex-Japan Small and Mid-Cap Fund</b>	
		<b>30 June 2019</b>	<b>31 December 2018</b>
<b>ASSETS</b>	Financial assets at fair value through profit or loss:		
<b>(£'000)</b>	Investments in transferable securities (note 8)	15,702	13,788
	Investments in financial derivative instruments (note 8)	-	-
	Cash and cash equivalents (note 2)	30	279
	Dividends receivable (note 2)	24	2
	Subscriptions receivable (note 2)	-	-
	Amount due from brokers (note 2)	62	-
	Receivable from investment manager	73	38
	Other receivables	9	53
	<b>Total assets</b>	<b>15,900</b>	<b>14,160</b>
<b>LIABILITIES</b>	Financial liabilities at fair value through profit or loss:		
<b>(£'000)</b>	Investments in financial derivative instruments (note 8)	-	-
	Bank overdraft (note 2)	23	-
	Redemptions payable (note 2)	1	-
	Amounts due to brokers (note 2)	65	27
	Management, directors' and advisory fees payable (note 6)	9	7
	Performance fee payable (note 6)	-	-
	Administration and transfer agency fee payable (note 6)	42	13
	Provision on capital gain tax	-	-
	Other payables	16	5
	<b>Liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>	<b>156</b>	<b>52</b>
	<b>Net assets attributable to holders of redeemable participating shares</b>	<b>15,744</b>	<b>14,108</b>
<b>REDEEMABLE PARTICIPATING SHARES</b>			
Class A	GBP Class A Shares in issue ('000)	1,778.679	2,072.518
	Net asset value per Share	£2.153	£1.836
	GBP Hedged Class A Shares in issue ('000)	-	-
	Net asset value per Share	-	-
	EUR Class A Shares in issue ('000)	237.997	250.633
	Net asset value per Share	€1.820	€1.778
	USD Class A Shares in issue ('000)	1,879.732	1,956.612
	Net asset value per Share	\$1.814	\$1.549
	USD Hedged Class A Shares in issue ('000)	-	-
	Net asset value per Share	-	-
Class B	GBP Class B Shares in issue ('000)	137.574	159.761
	Net asset value per Share	£2.116	£1.776
	EUR Class B Shares in issue ('000)	45.894	53.964
	Net asset value per Share	€2.071	€1.744
	USD Class B Shares in issue ('000)	22.000	15.722
	Net asset value per Share	\$1.741	\$1.480
X Shares	GBP X Shares in issue ('000)	-	-
	Net asset value per Share	-	-
	GBP Hedged X Shares in issue ('000)	-	-
	Net asset value per Share	-	-
	EUR X Shares in issue ('000)*	-	-
	Net asset value per Share	-	-
Z Shares	GBP Z Shares in issue ('000)	5,197.399	5,173.276
	Net asset value per Share	£1.622	£1.381
	EUR Z Shares in issue ('000)*	-	-
	Net asset value per Share	-	-
Seed Shares	GBP Shares in issue ('000)	-	-
	Net asset value per Share	-	-
	USD Shares in issue ('000)	-	-
	Net asset value per Share	-	-
Non-Distributing Shares	GBP Z Shares in issue ('000)	-	-
	Net asset value per Share	-	-

\*This share class was launched on 25 April 2019.

The accompanying notes form an integral part of the financial statements.

Condensed Statement of Financial Position (continued)

JOHCM Global Opportunities Fund		JOHCM Japan Dividend Growth Fund		JOHCM US Small Mid Cap Equity Fund	
30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
365,947	256,439	29,838	61,368	52,376	44,937
1	75	2	-	-	-
40,160	17,151	406	143	1,669	641
433	263	31	59	34	20
1,440	609	1	26	1	1
-	-	-	-	-	-
11	15	-	-	43	41
5	1	11	3	10	5
<b>407,997</b>	<b>274,553</b>	<b>30,289</b>	<b>61,599</b>	<b>54,133</b>	<b>45,645</b>
2	6	-	10	-	-
-	-	-	8	-	2
211	130	7	4	23	128
1,391	1,924	-	-	-	-
240	180	14	20	17	14
-	-	-	-	30	323
54	17	41	13	38	12
45	-	-	-	-	-
37	15	13	6	25	16
<b>1,980</b>	<b>2,272</b>	<b>75</b>	<b>61</b>	<b>133</b>	<b>495</b>
<b>406,017</b>	<b>272,281</b>	<b>30,214</b>	<b>61,538</b>	<b>54,000</b>	<b>45,150</b>
53,296.438	33,434.644	2,423.923	2,496.486	1,043.357	1,099.488
£2.100	£1.900	£1.280	£1.237	£1.954	£1.633
-	-	2,365.906	2,418.720	-	-
-	-	£1.010	£1.080	-	-
69,755.382	53,692.472	-	-	99.898	106.807
€2.216	€1.990	-	-	€1.693	€1.416
2,298.938	1,342.770	211.868	211.868	10.000	10.000
\$1.989	\$1.816	\$1.010	\$0.986	\$1.532	\$1.288
-	-	207.646	207.646	-	-
-	-	\$1.035	\$1.106	-	-
2,792.719	2,426.484	-	-	-	-
£2.346	£2.140	-	-	-	-
10,486.243	4,702.821	1,111.565	1,143.186	12.758	20.706
€2.069	€1.875	€1.306	€1.265	€1.642	€1.377
1,039.133	1,836.421	-	-	10.000	10.000
\$1.920	\$1.756	-	-	\$1.485	\$1.254
25,323.833	40,536.628	-	-	-	-
£1.789	£1.615	-	-	-	-
16,421.424	22,328.924	-	-	-	-
£1.037	\$0.954	-	-	-	-
47,000.000	-	-	-	-	-
€0.997	-	-	-	-	-
328.943	322.355	-	-	-	-
£0.823	£0.742	-	-	-	-
11,850.000	-	-	-	-	-
€0.973	-	-	-	-	-
-	-	17,702.448	42,815.316	-	-
-	-	£1.304	£1.266	-	-
-	-	-	-	41,791.181	41,791.181
-	-	-	-	\$1.571	\$1.319
6,054.272	6,354.066	-	-	-	-
£1.495	£1.318	-	-	-	-

## Condensed Statement of Financial Position (continued)

		<b>JOHCM European Concentrated Value Fund</b>	
		<b>30 June 2019</b>	<b>31 December 2018</b>
<b>ASSETS</b>	Financial assets at fair value through profit or loss:		
<b>(£'000)</b>	Investments in transferable securities (note 8)	401,289	382,507
	Investments in financial derivative instruments (note 8)	-	569
	Cash and cash equivalents (note 2)	11,531	14,891
	Dividends receivable (note 2)	126	107
	Subscriptions receivable (note 2)	1	-
	Amount due from brokers (note 2)	-	-
	Receivable from investment manager	60	34
	Other receivables	109	86
	<b>Total assets</b>	<b>413,116</b>	<b>398,194</b>
<b>LIABILITIES</b>	Financial liabilities at fair value through profit or loss:		
<b>(£'000)</b>	Investments in financial derivative instruments (note 8)	72	-
	Redemptions payable (note 2)	1	-
	Amounts due to brokers (note 2)	-	-
	Management, directors' and advisory fees payable (note 6)	312	334
	Performance fee payable (note 6)	-	285
	Administration and transfer agency fee payable (note 6)	34	10
	Other payables	46	19
	<b>Liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>	<b>465</b>	<b>648</b>
	<b>Net assets attributable to holders of redeemable participating shares</b>	<b>412,651</b>	<b>397,546</b>
<b>REDEEMABLE PARTICIPATING SHARES</b>			
Class A	GBP Class A Shares in issue ('000)		-
	Net asset value per Share		-
	EUR Class A Shares in issue ('000)	20,718.541	15,204.947
	Net asset value per Share	€1.086	€0.980
	USD Class A Shares in issue ('000)*	-	-
	Net asset value per Share	-	-
	SGD Class A Shares in issue ('000)*	-	-
	Net asset value per Share	-	-
Class B	EUR Class B Shares in issue ('000)	124,099.123	132,732.691
	Net asset value per Share	€1.081	€0.972
	USD Class B Shares in issue ('000)	6,220.891	5,744.307
	Net asset value per Share	\$1.211	\$1.098
	SGD Hedged Class B Shares in issue ('000)	265,470.553	300,659.440
	Net asset value per Share	SGD 1.050	SGD 0.934
Z Shares	AUD Z Shares in issue ('000)	133,892.650	159,621.855
	Net asset value per Share	AU\$1.272	AU\$1.154
Seed Shares	GBP Shares in issue ('000)*	10,550.000	-
	Net asset value per Share	€0.993	-
Non-Distributing Shares	GBP Y Shares in issue ('000)	-	-
	Net asset value per Share	-	-

The accompanying notes form an integral part of the financial statements.

\*This share class was launched on 04 April 2019.

Condensed Statement of Financial Position (continued)

JOHCM Global Smaller Companies Fund		JOHCM UK Dynamic Fund		JOHCM Global Income Builder Fund	
30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
4,300	3,802	17,497	13,027	24,456	17,882
-	-	-	-	-	-
110	33	188	179	1,009	372
3	3	107	57	145	117
-	-	-	195	-	-
-	-	-	33	174	-
72	44	114	86	46	32
11	8	7	2	24	17
<b>4,496</b>	<b>3,890</b>	<b>17,913</b>	<b>13,579</b>	<b>25,854</b>	<b>18,420</b>
-	-	-	-	10	-
-	-	8	-	1	5
-	-	4	104	131	108
6	4	12	8	10	5
-	4	-	-	-	-
19	6	19	6	31	9
29	10	14	9	13	4
<b>54</b>	<b>24</b>	<b>57</b>	<b>127</b>	<b>196</b>	<b>131</b>
<b>4,442</b>	<b>3,866</b>	<b>17,856</b>	<b>13,452</b>	<b>25,658</b>	<b>18,289</b>
-	-	-	-	797.310	59.803
-	-	-	-	£1.080	£0.968
-	-	-	-	1.238	1.430
-	-	-	-	€1.062	€0.951
4,461.600	4,461.600	-	-	1.238	-
\$1.263	\$1.106	-	-	€1.062	-
-	-	-	-	1,793.261	-
-	-	-	-	SGD 1.021	-
-	-	-	-	1.237	1.236
-	-	-	-	€1.049	€0.944
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	20,225.200	18,171.722
-	-	-	-	£1.120	£1.003
-	-	17,423.765	14,418.191	-	-
-	-	£1.025	£0.933	-	-

## Condensed Statement of Financial Position (continued)

		<b>JOHCM Concentrated Global Share Fund</b>	
		<b>30 June 2019</b>	<b>31 December 2018</b>
<b>ASSETS</b> <b>(£'000)</b>	Financial assets at fair value through profit or loss:		
	Investments in transferable securities (note 8)	2,011	1,624
	Investments in financial derivative instruments (note 8)	-	-
	Cash and cash equivalents (note 2)	114	243
	Dividends receivable (note 2)	1	2
	Subscriptions receivable (note 2)	-	-
	Amounts due from brokers (note 2)	-	-
	Receivable from investment manager	28	4
	Other receivables	3	-
	<b>Total assets</b>	<b>2,157</b>	<b>1,873</b>
<b>LIABILITIES</b> <b>(£'000)</b>	Financial liabilities at fair value through profit or loss:		
	Investments in financial derivative instruments (note 8)	-	-
	Bank overdraft (note 2)	-	-
	Redemptions payable (note 2)	-	-
	Amounts due to brokers (note 2)	-	-
	Management, directors' and advisory fees payable (note 6)	5	2
	Performance fee payable (note 6)	-	4
	Administration and transfer agency fee payable (note 6)	16	2
	Provision on capital gain tax	-	-
	Other payables	13	2
<b>Liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>	<b>34</b>	<b>10</b>	
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>2,123</b>	<b>1,863</b>	
<b>REDEEMABLE PARTICIPATING SHARES</b>			
Class A	GBP Class A Shares in issue ('000)	2,001.907	2,000.000
	Net asset value per Share	£1.060	£0.931

The accompanying notes form an integral part of the financial statements.

## Condensed Statement of Financial Position (continued)

	<b>TOTAL</b>
<b>30 June 2019</b>	<b>31 December 2018</b>
6,659,544	6,849,216
2,275	22,874
328,358	363,521
4,819	5,183
4,613	4,009
24,910	12,721
728	503
1,828	1,595
<b>7,027,075</b>	<b>7,259,622</b>
124	420
1,789	6,012
10,305	9,965
12,739	22,943
4,912	5,772
70	761
732	223
75	-
1,466	872
<b>32,212</b>	<b>46,968</b>
<b>6,994,863</b>	<b>7,212,654</b>

# Condensed Statement of Comprehensive Income

for the financial period ended 30 June 2019

	JOHCM Continental European Fund		JOHCM UK Growth Fund	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<b>INCOME (£'000)</b>				
Dividends	34,796	46,363	4,418	5,474
Bank interest	2	-	1	-
Expense reimbursement from investment manager (note 6)	-	-	-	-
Other income	890	752	128	5
Net gain/(loss) on financial assets/liabilities at fair value through profit or loss (note 12)	133,500	(31,243)	26,846	6,296
Net loss on swaps	-	-	-	-
<b>Total investment (loss)/income</b>	<b>169,188</b>	<b>15,872</b>	<b>31,393</b>	<b>11,775</b>
<b>EXPENSES (£'000)</b>				
Management fees (note 6)	(4,450)	(6,800)	(1,164)	(1,629)
Performance fees (note 6)	-	(226)	-	-
Administration fees (note 6)	(26)	(201)	(14)	(46)
Depositary fees (note 6)	(71)	(71)	(5)	-
Depositary oversight fees (note 6)	(42)	(132)	(12)	(40)
Transfer and domiciliary agency fees (note 6)	(62)	(110)	(19)	(18)
Directors' fees (note 6)	(5)	(5)	(1)	(1)
Audit fees (note 6)	(12)	(11)	(3)	(2)
Legal fees	(18)	(7)	(2)	(2)
Printing and publication expenses	(17)	(18)	(4)	(5)
Bank interest and charges	(213)	(156)	(19)	(17)
Transaction costs	(2,159)	(3,468)	(112)	-
Swap interest fees	-	-	-	-
Withholding tax (note 4)	(3,318)	(6,237)	-	-
Other charges	(83)	(103)	(25)	(24)
<b>Total Operating Expenses</b>	<b>(10,476)</b>	<b>(17,545)</b>	<b>(1,380)</b>	<b>(1,784)</b>
<b>Net income/(loss) (£'000)</b>	<b>158,712</b>	<b>(1,673)</b>	<b>30,013</b>	<b>9,991</b>
<b>FINANCE COSTS (£)</b>				
Distributions to holders of redeemable participating shares (note 9)	(31,565)	(29,051)	(7,590)	(5,308)
<b>Total comprehensive income/(loss)</b>	<b>127,147</b>	<b>(30,724)</b>	<b>22,423</b>	<b>4,683</b>

All results arise from continuing operations. There are no recognised gains and losses for the current and preceding financial years other than those shown above.

The accompanying notes form an integral part of the financial statements.

## Condensed Statement of Comprehensive Income (continued)

JOHCM European Select Values Fund		JOHCM Japan Fund		JOHCM Global Select Fund	
30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
32,168	47,953	4,438	6,310	19,374	19,869
47	-	1	-	1,531	1,071
-	-	-	-	-	-
354	1,116	33	-	716	373
210,722	(179,775)	15,359	(28,002)	317,713	186,722
-	(279)	-	-	-	-
<b>243,291</b>	<b>(130,985)</b>	<b>19,831</b>	<b>(21,692)</b>	<b>339,334</b>	<b>208,035</b>
(9,493)	(13,554)	(1,212)	(1,974)	(7,639)	(9,148)
-	-	-	-	-	-
(30)	(280)	(21)	(62)	(30)	(237)
(90)	(30)	(17)	(18)	(88)	(64)
(64)	(182)	(13)	(46)	(60)	(158)
(32)	(77)	(38)	(48)	(20)	(36)
(7)	(8)	(1)	(1)	(7)	(6)
(18)	(16)	(3)	(3)	(17)	(13)
(32)	(10)	(2)	(2)	(14)	(9)
(26)	(22)	(4)	(7)	(24)	(20)
(7)	(1)	(23)	(23)	(3)	(1)
(391)	(655)	(132)	(220)	(421)	(281)
(1)	(47)	-	-	-	-
(3,481)	(6,987)	(636)	(925)	(2,222)	(2,821)
(151)	(138)	(25)	(26)	(117)	(362)
<b>(13,823)</b>	<b>(22,007)</b>	<b>(2,127)</b>	<b>(3,355)</b>	<b>(10,662)</b>	<b>(13,156)</b>
<b>229,468</b>	<b>(152,992)</b>	<b>17,704</b>	<b>(25,047)</b>	<b>328,672</b>	<b>194,879</b>
(31,429)	(21,752)	(5,763)	(4,249)	(15,552)	(12,732)
<b>198,039</b>	<b>(174,744)</b>	<b>11,941</b>	<b>(29,296)</b>	<b>313,120</b>	<b>182,147</b>

## Condensed Statement of Comprehensive Income (continued)

	JOHCM Emerging Markets Fund		JOHCM Global Emerging Markets Opportunities Fund	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<b>INCOME (£'000)</b>				
Dividends	102	344	6,044	4,621
Bank interest	2	2	111	33
Expense reimbursement from investment manager (note 6)	64	45	-	--
Other income	12	7	29	50
Net gain/(loss) on financial assets/liabilities at fair value through profit or loss (note 12)	540	(1,880)	35,203	(13,793)
<b>Total investment income/(loss)</b>	<b>720</b>	<b>(1,482)</b>	<b>41,387</b>	<b>(9,089)</b>
<b>EXPENSES (£'000)</b>				
Management fees (note 6)	(46)	(135)	(1,018)	(969)
Performance fees (note 6)	-	-	(40)	(15)
Administration fees (note 6)	(20)	(25)	(24)	(50)
Depositary fees (note 6)	(9)	(51)	(72)	(104)
Depositary oversight fees (note 6)	(3)	(4)	(14)	(35)
Transfer and domiciliary agency fees (note 6)	(14)	(14)	(22)	(22)
Directors' fees (note 6)	-	-	(1)	(1)
Audit fees (note 6)	-	-	(3)	(2)
Legal fees	-	-	(2)	(1)
Printing and publication expenses	-	(3)	(4)	(6)
Bank interest and charges	-	-	(1)	(6)
Transaction costs	(11)	(37)	(143)	(103)
Withholding tax (note 4)	(9)	(44)	(481)	(509)
Other charges	(50)	(44)	(45)	(34)
<b>Total operating expenses</b>	<b>(162)</b>	<b>(357)</b>	<b>(1,870)</b>	<b>(1,857)</b>
<b>Net income/(loss) (£'000)</b>	<b>558</b>	<b>(1,839)</b>	<b>39,517</b>	<b>(10,946)</b>
<b>FINANCE COSTS (£)</b>				
Distributions to holders of redeemable participating shares (note 9)	(82)	(115)	(5,913)	(3,655)
<b>Total comprehensive income/(loss)</b>	<b>476</b>	<b>(1,954)</b>	<b>33,604</b>	<b>(14,601)</b>

All results arise from continuing operations. There are no recognised gains and losses for the current and preceding financial years other than those shown above.

The accompanying notes form an integral part of the financial statements.

## Condensed Statement of Comprehensive Income (continued)

JOHCM Asia ex-Japan Fund		JOHCM Asia ex-Japan Small and Mid Cap Fund		JOHCM Global Opportunities Fund	
30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
1,842	5,243	173	318	5,629	3,620
25	57	2	-	272	169
-	-	35	-	-	8
11	318	25	185	55	98
15,695	(47,959)	2,524	(472)	36,282	4,347
<b>17,573</b>	<b>(42,341)</b>	<b>2,759</b>	<b>31</b>	<b>42,238</b>	<b>8,242</b>
(970)	(2,400)	(32)	(103)	(1,237)	(879)
-	-	-	-	-	-
(22)	(48)	(20)	(25)	(23)	(42)
(41)	(178)	(4)	(36)	(13)	(4)
(8)	(44)	(3)	(5)	(15)	(24)
(19)	(48)	(14)	(18)	(25)	(64)
(1)	(1)	-	-	(1)	(1)
(1)	(2)	-	-	(3)	(1)
(1)	(2)	-	-	(4)	(1)
(2)	(6)	-	(3)	(4)	(5)
(6)	(29)	-	(1)	(3)	(1)
(85)	(400)	(4)	(34)	(96)	(91)
(141)	(430)	(18)	(25)	(757)	(467)
(37)	(25)	(65)	(13)	(33)	(18)
<b>(1,334)</b>	<b>(3,613)</b>	<b>(160)</b>	<b>(263)</b>	<b>(2,214)</b>	<b>(1,598)</b>
<b>16,239</b>	<b>(45,954)</b>	<b>2,599</b>	<b>(232)</b>	<b>40,024</b>	<b>6,644</b>
(3,167)	(5,029)	(273)	(217)	(5,056)	(6,704)
<b>13,072</b>	<b>(50,983)</b>	<b>2,326</b>	<b>(449)</b>	<b>34,968</b>	<b>(60)</b>

## Condensed Statement of Comprehensive Income (continued)

	JOHCM Japan Dividend Growth Fund		JOHCM US Small Mid Cap Equity Fund	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<b>INCOME (£'000)</b>				
Dividends	584	1,601	266	229
Bank interest	3	-	12	7
Expense reimbursement from investment manager (note 6)	-	2	2	-
Other income	220	61	14	11
Net gain/(loss) on financial assets/liabilities at fair value through profit or loss (note 12)	2,731	(7,591)	8,919	4,270
<b>Total investment income/(loss)</b>	<b>3,538</b>	<b>(5,927)</b>	<b>9,213</b>	<b>4,517</b>
<b>EXPENSES (£'000)</b>				
Management fees (note 6)	(65)	(185)	(69)	(60)
Performance fees (note 6)	-	-	(30)	(126)
Administration fees (note 6)	(19)	(26)	(19)	(23)
Depositary fees (note 6)	(3)	(4)	(2)	(2)
Depositary oversight fees (note 6)	(4)	(11)	(4)	(6)
Transfer and domiciliary agency fees (note 6)	(15)	(16)	(12)	(11)
Directors' fees (note 6)	-	-	-	-
Audit fees (note 6)	-	(1)	-	-
Legal fees	-	-	-	-
Printing and publication expenses	(1)	(4)	(1)	(3)
Bank interest and charges	(8)	(11)	-	-
Transaction costs	(29)	(94)	(6)	(23)
Withholding tax (note 4)	(84)	(235)	(79)	(67)
Other charges	(10)	(10)	(12)	(9)
<b>Total operating expenses</b>	<b>(238)</b>	<b>(597)</b>	<b>(234)</b>	<b>(330)</b>
<b>Net income/(loss) (£'000)</b>	<b>3,300</b>	<b>(6,524)</b>	<b>8,979</b>	<b>4,187</b>
<b>FINANCE COSTS (£)</b>				
Distributions to holders of redeemable participating shares (note 9)	(2,106)	(2,171)	-	-
<b>Total comprehensive (loss)/income</b>	<b>1,194</b>	<b>(8,695)</b>	<b>8,979</b>	<b>4,187</b>

All results arise from continuing operations. There are no recognised gains and losses for the current and preceding financial years other than those shown above.

The accompanying notes form an integral part of the financial statements.

## Condensed Statement of Comprehensive Income (continued)

JOHCM European Concentrated Value Fund		JOHCM Global Smaller Companies Fund		JOHCM UK Dynamic Fund	
30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
7,930	7,613	32	33	405	96
-	-	1	1	-	-
-	10	28	28	29	37
68	151	2	1	-	-
45,272	(10,475)	578	327	1,409	11
<b>53,270</b>	<b>(2,701)</b>	<b>641</b>	<b>390</b>	<b>1,843</b>	<b>144</b>
(1,802)	(1,883)	(16)	(16)	(48)	(12)
-	-	-	(14)	-	(4)
(18)	(54)	(14)	(17)	(14)	(16)
(17)	(14)	(2)	(4)	(3)	(10)
(17)	(41)	(3)	(4)	(3)	(4)
(10)	(14)	(3)	(2)	(2)	(2)
(1)	(1)	-	-	-	-
(4)	(2)	-	(1)	-	-
(4)	(2)	-	-	-	-
(5)	(5)	-	(2)	-	-
(45)	(41)	-	-	-	-
(64)	(73)	-	(2)	(4)	(5)
(632)	(898)	(7)	(7)	-	-
(32)	(25)	(20)	(8)	(10)	(8)
<b>(2,651)</b>	<b>(3,053)</b>	<b>(65)</b>	<b>(77)</b>	<b>(84)</b>	<b>(61)</b>
<b>50,619</b>	<b>(5,754)</b>	<b>576</b>	<b>313</b>	<b>1,759</b>	<b>83</b>
(4,439)	(2,582)	-	-	(336)	-
<b>46,180</b>	<b>(8,336)</b>	<b>576</b>	<b>313</b>	<b>1,423</b>	<b>83</b>

## Condensed Statement of Comprehensive Income (continued)

	JOHCM Global Income Builder Fund (launched 11 April 2018)		JOHCM Concentrated Global Share Fund (launched 30 November 2018)	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<b>INCOME (£'000)</b>				
Dividends	307	188	30	-
Bank interest	7	3	1	-
Bond interest	226	149	-	-
Expense reimbursement from investment manager (note 6)	14	11	24	-
Other income	-	3	-	-
Net gain/(loss) on financial assets/liabilities at fair value through profit or loss (note 12)	2,554	671	246	-
Net loss on swaps	-	-	-	-
<b>Total investment income</b>	<b>3,108</b>	<b>1,025</b>	<b>301</b>	<b>-</b>
<b>EXPENSES (£'000)</b>				
Management fees (note 6)	(31)	(10)	(7)	-
Performance fees (note 6)	-	-	-	-
Administration fees (note 6)	(17)	(8)	(14)	-
Depositary fees (note 6)	(3)	(1)	(2)	-
Depositary oversight fees (note 6)	(3)	(2)	(3)	-
Transfer and domiciliary agency fees (note 6)	(7)	(3)	-	-
Directors' fees (note 6)	-	-	-	-
Audit fees (note 6)	-	-	-	-
Legal fees	-	-	-	-
Printing and publication expenses	-	-	-	-
Bank interest and charges	-	-	-	-
Transaction costs	(4)	(6)	-	-
Swap interest fees	-	-	-	-
Withholding tax (note 4)	(50)	(29)	(5)	-
Other charges	(10)	(4)	(10)	-
<b>Total operating expenses</b>	<b>(125)</b>	<b>(63)</b>	<b>(41)</b>	<b>-</b>
<b>Net income/(loss) (£'000)</b>	<b>2,983</b>	<b>962</b>	<b>260</b>	<b>-</b>
<b>FINANCE COSTS (£)</b>				
Distributions to holders of redeemable participating shares (note 9)	(516)	(126)	(2)	-
<b>Total comprehensive (loss)/income</b>	<b>2,467</b>	<b>836</b>	<b>258</b>	<b>-</b>

All results arise from continuing operations. There are no recognised gains and losses for the current and preceding financial years other than those shown above.

The accompanying notes form an integral part of the financial statements.

## Condensed Statement of Comprehensive Income (continued)

	<b>TOTAL</b>
<b>30 June 2019</b>	<b>31 December 2018</b>
118,538	149,875
2,018	1,343
226	149
196	141
2,557	3,131
856,093	(118,545)
-	(279)
<b>979,628</b>	<b>35,815</b>
(29,299)	(39,757)
(70)	(385)
(345)	(1,160)
(442)	(591)
(271)	(738)
(314)	(503)
(25)	(25)
(64)	(54)
(79)	(36)
(92)	(109)
(328)	(287)
(3,661)	(5,492)
(1)	(47)
(11,920)	(19,682)
(735)	(851)
<b>(47,646)</b>	<b>(69,717)</b>
<b>931,982</b>	<b>(33,902)</b>
(113,789)	(93,691)
<b>818,193</b>	<b>(127,593)</b>

# Condensed Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

for the financial period ended 30 June 2019

	JOHCM Continental European Fund		JOHCM UK Growth Fund	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the financial period (£'000)</b>	<b>1,314,516</b>	<b>1,941,835</b>	<b>349,007</b>	<b>395,174</b>
Increase/(decrease) in net assets attributable to holders of redeemable participating shares	127,147	(196,493)	22,423	(65,919)
<b>CAPITAL TRANSACTIONS (£'000)</b>				
Proceeds from issuance of shares	110,842	563,306	18,093	111,158
Payments on redemption of shares	(384,678)	(994,132)	(119,456)	(91,406)
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial period (£'000)</b>	<b>1,167,827</b>	<b>1,314,516</b>	<b>270,067</b>	<b>349,007</b>
<b>Redeemable participating shares in issue at the beginning of the financial period</b>	<b>743,063,778.744</b>	<b>962,889,279.114</b>	<b>116,069,490.645</b>	<b>111,118,154.789</b>
Shares issued during the financial period	63,751,499.745	322,264,342.426	5,795,604.048	32,184,826.842
Shares redeemed during the financial period	(208,426,459.115)	(542,089,842.796)	(38,470,910.298)	(27,233,490.986)
<b>Redeemable participating shares in issue at the end of the financial period</b>	<b>598,388,819.374</b>	<b>743,063,778.744</b>	<b>83,394,184.395</b>	<b>116,069,490.645</b>

	JOHCM Emerging Markets Fund		JOHCM Global Emerging Markets Opportunities Fund	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the financial period (£'000)</b>	<b>8,917</b>	<b>29,817</b>	<b>291,056</b>	<b>326,423</b>
Increase/(decrease) in net assets attributable to holders of redeemable participating shares	476	(3,398)	33,604	(34,234)
<b>CAPITAL TRANSACTIONS (£'000)</b>				
Proceeds from issuance of shares	380	3,086	56,720	26,242
Payments on redemption of shares	(4,709)	(20,588)	(12,564)	(27,375)
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial period (£'000)</b>	<b>5,064</b>	<b>8,917</b>	<b>368,816</b>	<b>291,056</b>
<b>Redeemable participating shares in issue at the beginning of the financial period</b>	<b>7,786,116.293</b>	<b>22,145,250.314</b>	<b>300,226,050.129</b>	<b>300,688,440.075</b>
Shares issued during the financial period	297,123.523	2,423,331.309	48,518,997.634	23,982,418.594
Shares redeemed during the financial period	(3,727,486.221)	(16,782,465.330)	(9,597,501.331)	(24,444,808.540)
<b>Redeemable participating shares in issue at the end of the financial period</b>	<b>4,355,753.595</b>	<b>7,786,116.293</b>	<b>339,147,546.432</b>	<b>300,226,050.129</b>

Condensed Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares  
(continued)

JOHCM European Select Values Fund		JOHCM Japan Fund		JOHCM Global Select Fund	
30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<b>2,027,173</b>	<b>3,026,204</b>	<b>353,042</b>	<b>512,949</b>	<b>1,869,883</b>	<b>2,290,545</b>
198,039	(372,670)	11,941	(91,167)	313,120	(26,103)
83,780	457,915	30,597	159,243	93,303	320,401
(399,595)	(1,084,276)	(129,082)	(227,983)	(364,327)	(714,960)
<b>1,909,397</b>	<b>2,027,173</b>	<b>266,498</b>	<b>353,042</b>	<b>1,911,979</b>	<b>1,869,883</b>
<b>931,352,812.182</b>	<b>1,206,696,030.310</b>	<b>180,829,370.973</b>	<b>216,019,742.226</b>	<b>1,044,459,240.516</b>	<b>1,207,219,681.294</b>
36,931,977.126	188,570,636.767	16,359,235.892	71,972,766.764	44,736,829.392	188,580,577.476
(202,522,700.731)	(463,913,854.895)	(64,541,921.281)	(107,163,138.017)	(290,040,282.844)	(351,341,018.254)
<b>765,762,088.577</b>	<b>931,352,812.182</b>	<b>132,646,685.584</b>	<b>180,829,370.973</b>	<b>799,155,787.064</b>	<b>1,044,459,240.516</b>
JOHCM Asia ex-Japan Fund		JOHCM Asia ex-Japan Small and Mid-Cap Fund		JOHCM Global Opportunities Fund	
30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<b>170,967</b>	<b>568,138</b>	<b>14,108</b>	<b>34,991</b>	<b>272,281</b>	<b>275,643</b>
13,072	(68,121)	2,326	(4,619)	34,968	(5,541)
14,201	83,406	372	2,377	193,687	126,613
(71,730)	(412,456)	(1,062)	(18,641)	(94,919)	(124,434)
<b>126,510</b>	<b>170,967</b>	<b>15,744</b>	<b>14,108</b>	<b>406,017</b>	<b>272,281</b>
<b>133,871,311.494</b>	<b>350,512,498.014</b>	<b>9,682,486.096</b>	<b>18,618,489.778</b>	<b>166,977,585.929</b>	<b>160,078,448.176</b>
11,451,610.380	54,327,500.946	215,398.186	1,276,310.325	133,482,791.070	81,114,087.536
(50,147,397.964)	(270,968,687.466)	(598,608.158)	(10,212,314.007)	(53,813,051.735)	(74,214,949.783)
<b>95,175,523.910</b>	<b>133,871,311.494</b>	<b>9,299,276.124</b>	<b>9,682,486.096</b>	<b>246,647,325.264</b>	<b>166,977,585.929</b>



Condensed Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares  
(continued)

JOHCM European Concentrated Value Fund		JOHCM Global Smaller Companies Fund		JOHCM UK Dynamic Fund	
30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<b>397,546</b>	<b>389,820</b>	<b>3,866</b>	<b>4,144</b>	<b>13,452</b>	<b>1,947</b>
46,180	(37,266)	576	(278)	1,423	(1,960)
33,988	79,244	-	-	4,711	16,019
(65,063)	(34,252)	-	-	(1,730)	(2,554)
<b>412,651</b>	<b>397,546</b>	<b>4,442</b>	<b>3,866</b>	<b>17,856</b>	<b>13,452</b>
<b>613,963,239.945</b>	<b>574,593,114.362</b>	<b>4,461,600.000</b>	<b>4,461,600.000</b>	<b>14,418,191.313</b>	<b>1,854,400.000</b>
40,295,840.767	87,730,278.502	-	-	4,719,924.856	14,954,716.093
(93,307,323.353)	(48,360,152.919)	-	-	(1,714,350.721)	(2,390,924.780)
<b>560,951,757.359</b>	<b>613,963,239.945</b>	<b>4,461,600.000</b>	<b>4,461,600.000</b>	<b>17,423,765.448</b>	<b>14,418,191.313</b>

TOTAL	
30 June 2019	31 December 2018
<b>7,212,654</b>	<b>9,979,891</b>
818,193	(925,185)
648,672	1,981,327
(1,684,656)	(3,823,379)
<b>6,994,863</b>	<b>7,212,654</b>





# JOHCM Continental European Fund

A sub-fund of J O Hambro Capital Management Umbrella Fund plc



**Paul Wild, CFA**  
**Senior Fund Manager**

Paul joined JOHCM in March 2003 and has 21 years industry experience.

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## INVESTMENT MANAGEMENT REPORT

for the financial period ended 30 June 2019

### Performance

The JOHCM Continental European Fund returned 13.22%, net of fees and in sterling terms for the 'A' share class, for the six-month period to 30 June 2019. Over the same period, the MSCI Europe ex UK NR Index (12pm adjusted) returned 17.08%.

### Investment background

European equities enjoyed a strong H1 2019 fuelled by central bank dovishness and optimism surrounding the US-China trade talks, although there was a breakdown in negotiations in May. The US portrayed China as stepping back from previous commitments. The tariff on \$200bn of Chinese imports was raised from 10% to 35% in early May. Beyond this, the US further clamped down upon Chinese telecoms and technology company Huawei in limiting its access to US suppliers, albeit this was later eased in June.

June was a big month for geopolitics and bond yields, where a further plunge in the latter saw many bond markets hit all-time low yields for ten-year bonds. Elsewhere, the ECB meeting in early June failed to deliver the extent of dovishness that the market was expecting, whilst the Targeted Longer-Term Refinancing Operations (TLTRO) 3 terms were set at the deposit rate plus 10bps for banks meeting their lending targets and at the Main Refinancing Operations (MRO) rate plus 10bps for those missing targets. However, the comments out of the Sintra meeting by ECB President Draghi were far more dovish, highlighting that rate cuts are now a possibility given the threats to price stability. He also highlighted that the asset purchase programme has further headroom. The reaction by President Trump, who had spent much of June berating the Fed's lack of activity, was to focus on the currency

implication of further ECB cuts. The Fed did not disappoint with the Fed committee members moving towards imminent rate cuts.

The G20 generally delivered what the market wanted to see: President Trump avoiding imposing further tariffs on China for the time being and a slight relaxing of the US position against Huawei in allowing some US tech companies to sell some products. Trump also highlighted the Chinese were willing to buy extensive amount of US agricultural imports. As to whether the Chinese version of events concurs with Trump's narrative is not altogether clear. Inflation data in Europe remained subdued, with May core inflation at 0.8%. Oil prices bounced after the attacks on several tankers in the Gulf and were further buoyed by the better-than-expected inventory data.

### Fund review

The portfolio underperformed over the period as both stock selection and sector allocation effects hampered relative returns in roughly equal measure. Our cash position hindered relative returns in the rising market while our overweight in communication services also provided a drag. In terms of stock selection, it was our utilities names (EDF) which weighed the most.

On the positive side, Airbus contributed strongly after fourth-quarter numbers were well ahead of expectations and cemented expectations of an end to the loss-making A380 programme in 2021.

Over the period, we added to materials holdings such as CRH, whilst also taking a new position in Thyssenkrupp after its dramatic share price decline. Elsewhere we started gently taking profits in a number of staples stocks after pronounced performance and

sold out of Heineken on valuation grounds. We added further to our holding in Sanofi, which has been a laggard versus its sector, and established a position in Neste Oyj, the Finnish-based global leader in renewable diesel. Within consumer discretionary, we took a new position in AccorHotels.

There were signals over the period that the macro outlook is not getting any worse; however, after the rally that the market has had year to date, it remains key to maintain a valuation sensitivity. The market's polarised performance, between growth and quality versus the rest, is driving significant valuation differentials. Whilst being style agnostic, we have always been underweight more expensive type stocks. This has been very much to our detriment over recent periods where price momentum has seen expensive stocks get more expensive. We expect the extreme level of market polarisation to revert and this eventual normalisation will unequivocally suit us.

### Paul Wild Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets	
			'000	£'000	£'000	%
AUSTRIA	Erste Group Bank	279	EUR	8,075	8,114	0.69
				8,075	8,114	0.69
BELGIUM	Anheuser-Busch InBev	326	EUR	21,828	22,618	1.94
	KBC Group	313	EUR	16,958	16,103	1.38
				38,786	38,721	3.32
DENMARK	FLSmidth	179	DKK	5,974	6,297	0.54
	Novo Nordisk	243	DKK	9,010	9,778	0.84
				14,984	16,075	1.38
FINLAND	Fortum	1,020	EUR	17,484	17,760	1.52
	Neste Oyj	532	EUR	13,592	14,333	1.23
	Nokia	2,834	EUR	10,950	11,108	0.95
	UPM-Kymmene	17	EUR	395	357	0.03
				42,421	43,558	3.73
FRANCE	Accor	805	EUR	25,778	27,168	2.33
	AXA	2,066	EUR	40,307	42,405	3.63
	BNP Paribas	234	EUR	9,415	8,748	0.75
	Bouygues	700	EUR	20,539	20,380	1.75
	Cap Gemini	281	EUR	24,083	27,729	2.36
	Cie de Saint-Gobain	184	EUR	5,511	5,618	0.48
	Cie Generale des Etablissements Michelin	197	EUR	18,307	19,587	1.68
	Danone	667	EUR	38,810	44,431	3.80
	Electricite de France	1,298	EUR	14,764	12,859	1.10
	Kering	27	EUR	10,615	12,465	1.07
	Lagardere	1,604	EUR	33,462	32,917	2.82
	Peugeot	232	EUR	4,285	4,460	0.38
	Sanofi	678	EUR	44,049	46,137	3.95
	Teleperformance	27	EUR	4,310	4,301	0.37
	Total	266	EUR	11,462	11,704	1.00
	Veolia Environnement	782	EUR	14,199	14,973	1.27
	Vinci	345	EUR	25,059	27,916	2.39
	Vivendi	1,221	EUR	23,432	26,337	2.26
				368,387	390,135	33.39



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

	Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
				'000	£'000	£'000
GERMANY	Bayer	214	EUR	12,527	11,684	1.00
	Deutsche Post	863	EUR	21,325	22,141	1.90
	Fresenius	304	EUR	12,958	13,069	1.12
	Fresenius Medical Care	133	EUR	8,219	8,242	0.71
	HUGO BOSS	212	EUR	10,596	10,989	0.94
	RWE	1,313	EUR	24,806	25,273	2.16
	SAP	315	EUR	25,753	33,823	2.90
	Siemens	403	EUR	36,553	37,555	3.22
	ThyssenKrupp	2,526	EUR	27,040	28,874	2.47
	Volkswagen	39	EUR	5,047	5,122	0.44
	Wirecard	70	EUR	9,367	9,322	0.80
				194,191	206,094	17.66
GREAT BRITAIN	AstraZeneca	147	SEK	8,724	9,624	0.82
				8,724	9,624	0.82
IRELAND	CRH	1,027	EUR	25,309	26,267	2.25
				25,309	26,267	2.25
ITALY	Saras	6,498	EUR	9,259	7,763	0.66
	UniCredit	1,189	EUR	12,215	11,556	0.99
				21,474	19,319	1.65
LUXEMBOURG	Millicom International Cellular	332	SEK	15,214	14,749	1.26
	SES	955	EUR	13,625	11,624	1.00
				28,839	26,373	2.26
NETHERLANDS	Airbus	300	EUR	28,394	33,473	2.87
	ASML Holding	17	EUR	2,415	2,759	0.24
	Euronext	191	EUR	10,179	11,328	0.97
	ING Groep	671	EUR	6,213	6,143	0.53
	Koninklijke Vopak	480	EUR	16,896	17,398	1.49
				64,097	71,101	6.10
NORWAY	DNB	1,209	NOK	17,383	17,718	1.52
	Mowi	354	NOK	6,018	6,584	0.56
	Norsk Hydro	1,451	NOK	4,080	4,090	0.35
				27,481	28,392	2.43



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description		Quantity	Currency	Acquisition cost	Fair value	Net assets
		'000		£'000	£'000	%
SPAIN	Banco Santander	3,011	EUR	11,630	10,941	0.94
	Repsol	1,039	EUR	12,655	12,763	1.09
	Repsol	1,408	EUR	629	617	0.05
	Siemens Gamesa Renewable Energy	925	EUR	10,994	11,887	1.02
	Solaria Energia y Medio Ambiente	723	EUR	3,144	3,217	0.28
				39,052	39,425	3.38
SWEDEN	Electrolux	584	SEK	10,757	11,818	1.01
	Swedish Match	462	SEK	16,395	15,449	1.32
				27,152	27,267	2.33
SWITZERLAND	Nestle	714	CHF	49,589	58,196	4.98
	Novartis	361	CHF	22,466	25,971	2.22
	Roche Holding	254	CHF	51,408	56,022	4.80
	SIG Combibloc Group	1,589	CHF	13,635	14,139	1.21
	Zurich Insurance Group	43	CHF	11,868	11,847	1.01
				148,966	166,175	14.22
<b>Transferable securities admitted to an official stock exchange listing</b>				<b>1,057,938</b>	<b>1,116,640</b>	<b>95.61</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### B) OTC financial derivative instruments: open foreign currency contracts

Maturity	Counterparty	Currency	Purchased	Currency	Sold	Fair value	Net assets
			'000		'000	£'000	%
01.07.19	RBC Investor Services Luxembourg	GBP	10	EUR	(11)	-	-
01.07.19	RBC Investor Services Luxembourg	GBP	3	EUR	(3)	-	-
01.07.19	RBC Investor Services Luxembourg	USD	9	EUR	(8)	-	-
01.07.19	RBC Investor Services Luxembourg	EUR	35	GBP	(31)	-	-
01.07.19	RBC Investor Services Luxembourg	GBP	1,215	EUR	(1,355)	(1)	-
01.07.19	RBC Investor Services Luxembourg	GBP	939	EUR	(1,047)	(1)	-
02.07.19	RBC Investor Services Luxembourg	GBP	42	EUR	(47)	-	-
02.07.19	RBC Investor Services Luxembourg	GBP	957	EUR	(1,068)	(1)	-
02.07.19	RBC Investor Services Luxembourg	GBP	333	EUR	(372)	-	-
02.07.19	RBC Investor Services Luxembourg	EUR	150	GBP	(135)	-	-
02.07.19	RBC Investor Services Luxembourg	GBP	3	EUR	(3)	-	-
02.07.19	RBC Investor Services Luxembourg	EUR	21	USD	(24)	-	-
31.07.19	RBC Investor Services Luxembourg	GBP	43,922	EUR	(48,897)	(14)	-
31.07.19	RBC Investor Services Luxembourg	GBP	21,006	EUR	(23,385)	(7)	-
31.07.19	RBC Investor Services Luxembourg	GBP	195	EUR	(217)	-	-
31.07.19	RBC Investor Services Luxembourg	USD	16,573	EUR	(14,528)	(6)	-
31.07.19	RBC Investor Services Luxembourg	USD	15,260	EUR	(13,378)	(6)	-
31.07.19	RBC Investor Services Luxembourg	EUR	481	GBP	(432)	-	-
<b>Total as at 30 June 2019</b>						<b>(36)</b>	<b>-</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
France	33.39	35.56
Germany	17.66	14.47
Switzerland	14.22	13.09
Netherlands	6.10	10.18
Finland	3.73	2.63
Spain	3.38	3.90
Belgium	3.32	0.96
Norway	2.43	0.91
Sweden	2.33	2.18
Luxembourg	2.26	0.89
Ireland	2.25	0.64
Italy	1.65	2.27
Denmark	1.38	2.32
Great Britain	0.82	4.95
Austria	0.69	1.31
<b>Total investments</b>	<b>95.61</b>	<b>96.26</b>
Total investments at fair value through profit or loss	95.61	96.26
Other net assets	4.39	3.74
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>

% PEA eligible holding as at 30 June 2019 was 81.39% (2018: 83.17%).  
("PEA" stands for Plan d'Épargne en Actions and is applicable to French investors).



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018
	%	%
Pharmaceuticals and cosmetics	14.46	13.73
Food and distilleries	8.78	7.81
Construction and building material	7.41	4.96
Internet software	6.06	3.83
Banks and financial institutions	6.05	10.07
Petrol	5.55	6.43
Graphic art and publishing	5.08	4.62
Public services	4.88	6.80
Insurance	4.64	5.13
Electronics and electrical equipment	4.24	-
News transmission	3.58	7.38
Transportation	3.39	2.34
Tobacco and spirits	3.26	2.49
Holding and finance companies	2.93	4.61
Aerospace technology	2.87	4.81
Mines and heavy machinery	2.47	-
Leisure	2.33	-
Tyre and rubber	1.68	1.42
Retail	1.07	1.46
Consumer goods	1.01	0.49
Chemicals	1.00	2.98
Textile	0.94	-
Automobile industry	0.82	1.02
Agriculture and fishing	0.56	-
Biotechnology	0.28	-
Electronic semiconductor	0.24	2.42
Forest products and paper industry	0.03	0.91
Other services	-	0.55
<b>Total investments</b>	<b>95.61</b>	<b>96.26</b>
Total investments at fair value through profit or loss	95.61	96.26
Other net assets	4.39	3.74
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£
<b>PURCHASES</b>		
Roche Holding	444	89,716
Siemens	720	63,678
Total	1,056	45,104
Anheuser-Busch InBev	667	42,713
Airbus	424	40,669
AXA	1,916	36,630
Volkswagen	260	33,919
Fortum	1,952	33,557
ThyssenKrupp	3,062	32,861
UniCredit	3,166	32,781
Vinci	443	31,703
RWE	1,634	31,566
Accor	973	31,172
Fresenius	716	30,622
Nestle	394	30,138
Cap Gemini	350	30,036
Koninklijke Vopak	830	29,506
Deutsche Post	1,231	29,367
Swedish Match	805	28,399
Electricite de France	2,411	28,106
Neste Oyj	1,114	28,022
Novo Nordisk	709	26,238
BNP Paribas	662	26,056
Fresenius Medical Care	450	25,614
Sanofi	394	25,522
KBC Group	461	25,222
Bouygues	870	24,978
Thales	260	24,401

Security name	Quantity	Cost
	'000	£
<b>PURCHASES</b>		
UPM-Kymmene	1,085	24,310
Orange	1,955	23,981
Vonovia	622	23,543
HUGO BOSS	445	23,477
Veolia Environnement	1,282	23,283
Repsol	1,816	22,931
Millicom International Cellular	495	22,790
CRH	939	22,564
Novartis	340	22,332
Danone	371	21,719
Vivendi	1,027	21,619
Banco Santander	5,477	21,196
Alstom	663	20,922
Cie Generale des Etablissements		
Michelin	222	20,054
DNB	1,384	19,907
Nokia	4,775	19,500
Cie de Saint-Gobain	649	19,390
Deutsche Lufthansa	1,005	18,720
Wirecard	146	18,253
Electrolux	978	18,007

The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019 (continued)

Security name	Quantity	Proceeds
	'000	£
<b>SALES</b>		
Total	2,208	93,404
Novartis	864	58,310
Nestle	806	57,535
Airbus	510	50,209
Sanofi	735	49,373
Engie	3,692	44,274
Novo Nordisk	1,116	43,775
Volkswagen	329	42,668
Banco Santander	11,694	42,360
ASML Holding	299	42,034
Roche Holding	190	40,368
Bayer	701	39,243
Bouygues	1,418	38,616
Safran	363	35,672
UPM-Kymmene	1,598	34,989
Vinci	445	33,310
RWE	1,724	32,562
UniCredit	3,493	32,276
Orange	2,617	31,422
Vivendi	1,447	31,263
Electricite de France	2,885	31,202
Deutsche Telekom	2,442	31,024
Allianz	177	31,008
Nokia	6,963	30,935
SAP	335	30,741

Security name	Quantity	Proceeds
	'000	£
<b>SALES</b>		
Heineken	419	30,357
ING Groep	3,180	29,970
Royal Dutch Shell	1,246	29,279
Anheuser-Busch InBev	466	28,105
Deutsche Post	1,126	27,417
AstraZeneca	458	27,344
Siemens	317	27,147
BNP Paribas	722	26,467
AXA	1,294	25,245
Kering	60	24,409
Cie Generale des Etablissements Michelin	265	24,085
Thales	260	23,643
Vonovia	622	23,624
Alstom	663	22,832
Tele2	2,213	21,988
Danone	341	21,548
Cap Gemini	240	21,458
Erste Group Bank	772	21,365

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.



# JOHCM UK Growth Fund

A sub-fund of J O Hambro Capital Management  
Umbrella Fund plc



**Mark Costar**  
**Senior Fund Manager**

Mark joined JOHCM in August 2001 and has 26 years industry experience

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## INVESTMENT MANAGEMENT REPORT

for the period ended 30 June 2019

### Performance

The JOHCM UK Growth Fund returned 10.50% in sterling terms, net of fees for the 'A' share class, for the six-month period ended 30 June 2019. Over the same period, the FTSE All-Share Total Return Index (12pm adjusted) returned 12.96%.

### Investment background

The race to the bottom in bond yields continues to accelerate and, being the dominant reference point for which every other financial asset is valued, continues to bulldoze every other metric (not least idiosyncratic fundamentals) aside in its wake. Naturally, this has profound consequences. Firstly, the intense bifurcation of equity prices (most particularly between 'in favour' top quintile valuations and the 'out of favour' bottom quintile valuations), which we have referred to over recent months, continues to new acute and all-time record highs. Secondly, all forms of new paradoxes are emerging; for example, as we write, the 10-year Greek government bond yield is trading at a smidgeon over 2% and at virtual parity with US treasuries. This is truly extraordinary, not least when one remembers that the former was yielding nigh on 44% as recently as 2012. The fact that we can identify structurally advantaged businesses with tremendous long-term growth potential that trade on free cash flow yields comfortably more than three times that 2% is not something that currently interests those preoccupied with deflation/trade war/slowdown fears, but it is eye-catching nonetheless.

### Fund review

The portfolio underperformed as positive sector allocation effects from our significant overweight in technology were offset by negative stock selection, particularly within financials and industrials.

A significant driver of the Fund's underperformance came from positions in Goal Soccer Centres and Just Group. The former necessitated a write-down of our position to reflect the high likelihood of impairment or significantly dilutive restructuring. This is particularly galling as the focused strategy implemented by the new management team is gaining clear traction and indeed the business itself is trading strongly. However, a change of auditor and a forensic review uncovered past misstatements, which tipped the business into a more perilous financial position.

Just Group, is by contrast and in our opinion, a huge overreaction. The company had to undergo considerable uncertainty last summer over the accounting treatment and capital requirements for Life-time mortgages, which, in common with the rest of the industry, it uses to create matching assets to its enhanced annuity business. After two further clarifications from the Prudential Regulation Authority, we now have much greater certainty over this position, which have in combination transpired to be considerably better than expected. In addition, Just has taken decisive action and raised capital as well as implemented prudent assumption changes as required.

The shares remain very lowly valued, in our view, and attribute virtually no value to its growth franchise (the reason we own the stock in the first place). This continues to win not just market share but does so at high margins whilst winning consistent awards for its data and customer service platform. Unsurprisingly, given this reaction, we have bought more shares and expect them to recover very strongly once sanity prevails.

Looking at the positives, First Derivatives was the standout performer over the period. It continued to recover from its unwarranted share price sell-off in Q4 2018, releasing a confident trading update in April. We also saw positive contributions from Gresham Computing and Merlin Entertainments. The latter received a £6 billion bid to take it private. Although at a relatively modest premium, it was nonetheless 37% higher than when Value-Act started agitating.

We saw a continuation of the consistent director-buying in the individual equities that make up the UK Growth portfolio, ticking the tally along to more than 100 transactions totalling almost £19m since September last year (source: RNS).

### Mark Costar Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
			'000	£'000	£'000
GREAT BRITAIN					
1Spatial	12,151	GBP	6,363	3,469	1.28
Alpha FX Group	390	GBP	2,518	3,042	1.13
Anglo American	310	GBP	3,822	6,887	2.55
Associated British Foods	382	GBP	9,586	9,439	3.50
AstraZeneca	4	GBP	164	241	0.09
Avacta Group	12,900	GBP	6,817	3,741	1.39
Aviva	1,120	GBP	5,681	4,637	1.72
Barclays	6,070	GBP	12,085	9,081	3.36
Blanco Technology Group	4,527	GBP	5,041	5,885	2.18
BP	3,925	GBP	17,779	21,552	7.99
Chemring	4,174	GBP	7,328	7,613	2.82
Draper Esprit	310	GBP	1,378	1,552	0.57
Ebiquity	8,990	GBP	8,467	4,675	1.73
Elecosoft	5,600	GBP	3,511	4,329	1.60
Fastjet	37,406	GBP	11,470	598	0.22
First Derivatives	256	GBP	5,877	8,763	3.24
Goals Soccer Centres	8,329	GBP	10,512	625	0.23
GoCo Group	6,350	GBP	6,534	6,020	2.23
Gresham Computing	7,397	GBP	8,509	8,100	3.00
HSBC Holdings	955	GBP	6,042	6,266	2.32
IGas Energy	6,483	GBP	5,193	3,597	1.33
ITV	1,700	GBP	2,695	1,826	0.68
Just Retirement Group	14,636	GBP	12,671	8,182	3.03
Merlin Entertainments	1,000	GBP	3,675	4,501	1.67
Mind Gym	1,250	GBP	1,526	1,544	0.57
NCC	3,550	GBP	5,987	5,758	2.13
Oxford Metrics	7,158	GBP	4,016	6,765	2.50
Rank	4,048	GBP	8,155	6,502	2.41
Reabold Resources	245,000	GBP	1,588	2,596	0.96
Rio Tinto	216	GBP	6,349	10,476	3.88
Rolls-Royce Holdings	1,190	GBP	10,383	9,957	3.69
Royal Bank of Scotland	3,350	GBP	8,846	7,313	2.71
Royal Dutch Shell - Class B	620	GBP	12,876	16,052	5.95
Severfield	9,800	GBP	6,787	6,723	2.49
Sigma Capital	7,870	GBP	5,580	8,460	3.13
SiS Science in Sport	10,000	GBP	6,600	6,100	2.26
Smartspace Software	2,595	GBP	3,566	2,284	0.85
Standard Chartered	1,468	GBP	9,358	10,434	3.86



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description		Quantity	Currency	Acquisition cost	Fair value	Net assets
		'000		£'000	£'000	%
GREAT BRITAIN	Standard Life Aberdeen	2,050	GBP	7,249	6,007	2.22
continued	Tekmar Group	1,900	GBP	2,000	2,793	1.03
	Vectura Group	2,000	GBP	1,630	1,721	0.64
	Venture Life Group	8,300	GBP	5,395	3,534	1.31
	Volex	6,225	GBP	4,722	5,976	2.21
				276,331	255,616	94.66
JERSEY	Experian	47	GBP	674	1,118	0.41
	Stride Gaming	3,395	GBP	6,225	5,008	1.85
				6,899	6,126	2.26
UNITED STATES	Enova Systems	620	GBP	801	-	-
	Enova Systems – Reg S	708	GBP	1,830	-	-
				2,631	-	-
VIRGIN ISLANDS	HaloSource	7,499	GBP	1,467	-	-
	HaloSource – Reg S	29,082	GBP	741	-	-
				2,208	-	-
<b>Transferable securities admitted to an official stock exchange listing</b>				<b>288,069</b>	<b>261,742</b>	<b>96.92</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### B) Other transferable securities

Description		Quantity	Currency	Acquisition cost	Fair value	Net assets
		'000		£'000	£'000	%
GREAT BRITAIN	Aquis Exchange	580	GBP	2,760	2,819	1.04
	Dotdigital Group	1,835	GBP	867	1,967	0.73
	Equals Group	1,250	GBP	812	1,538	0.57
	Escape Hunt	3,064	GBP	3,138	1,839	0.68
	Rolls-Royce Holdings - Preference shares	81,295	GBP	81	81	0.03
				7,658	8,244	3.05
<b>Other transferable securities</b>				<b>7,658</b>	<b>8,244</b>	<b>3.05</b>
<b>Investment in Transferable Securities</b>				<b>295,727</b>	<b>269,986</b>	<b>99.97</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
Great Britain	97.71	98.19
Jersey	2.26	1.86
Virgin Islands	-	0.03
Total investments at fair value through profit or loss	99.97	100.08
Other net assets/(liabilities)	0.03	(0.08)
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>

% PEA eligible holding as at 30 June 2019 was 97.71% (2018: 98.19%).  
("PEA" stands for Plan d'Épargne en Actions and is applicable to French investors).



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018
	%	%
Internet software	16.91	15.38
Banks and financial institutions	15.38	16.16
Petrol	13.94	13.55
Holding and finance companies	6.61	6.62
Aerospace technology	6.54	6.74
Non-ferrous metals	6.43	7.76
Food and distilleries	5.76	5.02
Leisure	4.31	6.06
Insurance	3.94	4.52
Other services	3.76	3.20
News transmission	3.26	3.12
Mines and heavy machinery	2.49	2.59
Electronics and electrical equipment	2.21	1.55
Pharmaceuticals and cosmetics	2.04	2.05
Construction and building material	1.60	1.04
Biotechnology	1.39	1.10
Public services	1.33	1.55
Miscellaneous	1.04	0.66
Mechanics and machinery	1.03	0.65
Retail	-	0.61
Healthcare education and social services	-	0.15
Total investments at fair value through profit or loss	99.97	100.08
Other net assets/(liabilities)	0.03	(0.08)
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£
<b>PURCHASES</b>		
Just Retirement Group	8,236	5,194
Merlin Entertainments	965	3,289
NCC	1,626	2,398
Rolls-Royce Holdings	200	1,835
Barclays	1,040	1,656
Vectura Group	2,000	1,630
Mind Gym	1,250	1,526
Royal Bank of Scotland	645	1,515
Associated British Foods	55	1,336
Aquis Exchange	197	1,058
Rank	630	964
BP	170	959
Standard Life Aberdeen	340	875
IGas Energy	1,261	849
First Derivatives	34	719
Alpha FX Group	103	713
Gresham Computing	1,100	680
Escape Hunt	1,109	648
Chemring	397	576
Draper Esprit	110	534
HSBC Holdings	76	496
Aviva	120	492
GoCo Group	630	472
ITV	375	458
Standard Chartered	70	445
1Spatial	1,236	390
Blancco Technology Group	327	386
Royal Dutch Shell	15	379
Elecosoft	500	357

Security name	Quantity	Proceeds
	'000	£
<b>SALES</b>		
Merlin Entertainments	2,840	10,967
Rio Tinto	197	8,592
BP	1,570	8,542
First Derivatives	305	7,977
Royal Dutch Shell	288	7,055
Anglo American	355	6,949
Dotdigital Group	7,652	6,836
Aviva	1,490	6,263
Standard Chartered	923	5,969
Associated British Foods	230	5,445
Rolls-Royce Holdings	550	5,085
Just Retirement Group	4,967	4,837
YouGov	1,000	4,711
Royal Bank of Scotland	1,845	4,484
Chemring	2,823	4,389
NCC	2,776	4,230
Barclays	2,445	3,887
Oxford Metrics	4,092	3,496
AstraZeneca	50	3,007
HSBC Holdings	456	2,908
Rank	1,775	2,895
Equals Group	2,625	2,673
GAME Digital	9,185	2,394
Standard Life Aberdeen	790	2,077
Blancco Technology Group	1,579	2,062
GoCo Group	2,184	1,982
Experian	88	1,868
Severfield	2,673	1,833
Sigma Capital	1,610	1,810

The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.



# JOHCM European Select Values Fund

A sub-fund of J O Hambro Capital Management Umbrella Fund plc



**Robrecht Wouters**  
**Senior Fund Manager**

Robrecht joined JOHCM in September 2003 and has 28 years industry experience

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## INVESTMENT MANAGEMENT REPORT

for the period ended 30 June 2019

### Performance

The JOHCM European Select Values Fund returned 12.56%, net of fees and in sterling terms for the 'A' share class, for the six-month period to 30 June 2019. Over the same period, the MSCI Europe NR Index (12pm adjusted) returned 15.97%.

### Investment background

In common with stock markets globally, European equities made a very strong start to 2019 with markets rebounding sharply from the sell-off at the end of last year, buoyed by central bank dovishness and hopes of an end to the US-China trade tensions. The Federal Reserve signalled that no further interest rate hikes were likely this year while the ECB also extended the period it would hold rates to the end of the year. Despite the positive newsflow, global growth concerns lingered as economic data points were weaker than anticipated.

The rally did not continue unabated, however. After touching all-time highs in the first days of May, stock market sentiment turned sharply negative as trade war rhetoric escalated and global economic growth expectations dimmed. European equity markets did recover from the sharp losses witnessed in May, rallying strongly as trade tensions did not develop into effective policy measures and central banks were vocal on loosening monetary policy.

### Fund review

The portfolio underperformed over the period as sector allocation effects, predominantly from our overweight in communication services and our defensive put options, weighed on relative returns. Although our overweight in communication provided a drag, stock selection here was strong, helping to somewhat offset weakness in the industrials and

materials sectors where Rolls-Royce and Thyssenkrupp lagged.

In portfolio activity, we sold out of two investments: Akzo Nobel (purchased back in September 2014) and Telenet (purchased only 11 months ago). Both stocks approached our assessment of their intrinsic value and delivered on our return expectations set out at the time of purchase (and time value adjusted): Akzo Nobel returned +83% during the holding period, Telenet +36%.

The proceeds were recycled into Swiss group Schindler Holding (CHF22.5bn market cap), the world's second-largest lift and elevator group (annual revenues of CHF11bn). The value attraction of elevator companies is well known and publicised (in fact, we owned Schindler from January 2011 to February 2016). Service and maintenance contracts (often legally enforced) for the installed base of lifts generate most of the company's free cash flow. These are recurrent in nature, highly predictable and can grow with new installation growth. In addition, limited capital needs to grow leads to very high cash flow conversion (i.e. high returns on investment).

In these sharply rising markets, finding true value opportunities in low beta, high return on capital employed (ROCE) companies is difficult. This 2019 rally has extended the valuation stretch/disparity between 'quality' and 'classic value' stocks even further. It is the 'classic value' corner of the market where true opportunities reside, and we invested in Dutch-listed nitrogen fertiliser and industrial chemical (methanol) producer OCI.

OCI is a commodity industrial, operating in the volatile, less predictable end-markets of agriculture

(75% of cash flow) and energy (25% of cash flow). But the agro-cycle is not the economic cycle. We believe the company to be undervalued by 80%+. Interestingly, the company recently received takeover interest for its methanol activities.

We also invested in French mid-cap contract caterer Elior (€2bn market cap). Over the last two years, following several profit warnings (a result of disappointing sales growth and cost pressures), Elior's share price has declined significantly (-50%). High expectations and high valuations are a dangerous combination for investors. Elior, though, even if in a transitional phase, offers good value. Expectations are low, the company is selling its food concession division (representing almost 40% of cash flow) at a reasonable price (€1.4bn), and the company will focus on improving execution in the core contract catering activities. With the concession disposal proceeds, Elior will reduce its €1.8bn of debt but also return excess capital to shareholders and maintain strategic balance sheet flexibility. Looking through these changes, Elior trades on only 11-12x underlying free cash flow, which undervalues this (potentially) high ROCE, low beta company by at least 40%, based on our assessment.

Selective contrarian opportunities like Elior are funded by reducing existing positions that are approaching their fair value. This recycling process sustains the Fund's significant aggregate undervaluation.

### Robrecht Wouters Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

	Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
				'000	£'000	£'000
BELGIUM	D'ieteren	1,263	EUR	37,992	45,787	2.40
				37,992	45,787	2.40
BERMUDA	Borr Drilling	927	NOK	14,290	7,017	0.37
	Borr Drilling	286	USD	4,007	2,170	0.11
				18,297	9,187	0.48
CANADA	Questerre Energy - Class A	7,238	CAD	753	1,090	0.06
	Questerre Energy - Class A	295	NOK	150	44	0.00
				903	1,134	0.06
FINLAND	Konecranes	999	EUR	22,305	29,170	1.53
	Nokia	17,535	EUR	71,063	68,723	3.60
	Wartsila - Class B	2,616	EUR	26,865	29,937	1.57
				120,233	127,830	6.70
FRANCE	Danone	848	EUR	41,244	56,494	2.96
	Elior Group	2,259	EUR	23,634	24,066	1.26
	Imerys	887	EUR	41,746	36,863	1.93
	JCDecaux	2,083	EUR	49,322	49,547	2.59
	Lagardere	1,951	EUR	36,591	40,027	2.10
	Sanofi	440	EUR	26,804	29,922	1.56
	Solocal Group	52,988	EUR	49,275	42,472	2.22
	Technicolor	30,872	EUR	79,883	22,611	1.18
	Vivendi	2,659	EUR	37,463	57,378	3.01
			385,962	359,380	18.81	
GERMANY	Bayer	941	EUR	63,531	51,406	2.69
	Biotest	991	EUR	20,857	20,099	1.05
	Biotest Vorzugsaktien	1,495	EUR	21,431	29,648	1.55
	CECONOMY	12,930	EUR	82,765	62,576	3.28
	METRO	6,365	EUR	103,788	91,185	4.78
	SAP	463	EUR	27,977	49,737	2.60
	ThyssenKrupp	7,011	EUR	113,979	80,142	4.20
			434,328	384,793	20.15	
GREAT BRITAIN	Liberty Global - Class C	5,563	USD	117,553	114,957	6.02
	Pearson	3,514	GBP	30,445	28,932	1.52
	Reckitt Benckiser Group	706	GBP	40,574	43,634	2.29
	Rolls-Royce Holdings	10,224	GBP	77,656	85,552	4.48
			266,228	273,075	14.31	



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description		Quantity	Currency	Acquisition cost	Fair value	Net assets
		'000		£'000	£'000	%
ITALY	SOL	3,566	EUR	19,256	35,917	1.88
				19,256	35,917	1.88
NETHERLANDS	Corbion	1,991	EUR	28,568	51,217	2.68
	Heineken Holding	696	EUR	31,061	57,480	3.01
	OCI	2,340	EUR	50,948	50,770	2.66
	SBM Offshore	5,015	EUR	49,067	75,982	3.98
	Sligro Food	936	EUR	23,933	27,480	1.44
	Wolters Kluwer	489	EUR	9,210	28,110	1.47
				192,787	291,039	15.24
SPAIN	Grifols	2,272	EUR	34,853	52,278	2.74
	Laboratorios Farmaceuticos Rovi	2,092	EUR	23,337	37,746	1.98
				58,190	90,024	4.72
SWITZERLAND	Aryzta	60,677	CHF	80,447	55,010	2.88
	Burckhardt Compression Holding	149	CHF	33,652	31,081	1.63
	OC Oerlikon	5,336	CHF	57,811	50,574	2.65
	Schindler Holding	221	CHF	37,720	38,963	2.04
				209,630	175,628	9.20
UNITED STATES	Oracle	1,894	USD	53,984	84,758	4.44
				53,984	84,758	4.44
<b>Transferable securities admitted to an official stock exchange listing</b>				<b>1,797,790</b>	<b>1,878,552</b>	<b>98.39</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### B) Other transferable securities

Description		Quantity	Currency	Acquisition cost	Fair value	Net assets
		'000		£'000	£'000	%
GREAT BRITAIN	Rolls-Royce Holdings	725,886	GBP	726	726	0.04
				726	726	0.04
<b>Other transferable securities</b>				<b>726</b>	<b>726</b>	<b>0.04</b>
<b>Investment in Transferable Securities</b>				<b>1,798,516</b>	<b>1,879,278</b>	<b>98.43</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### C) OTC financial derivative instruments

Description	Quantity	Currency	Acquisition Cost	Fair Value	Net Assets
			£'000	£'000	%
UNITED STATES Put Russel 2000 Index 28/06/2019 1400.0	2	USD	885	14	0.00
Put Russel 2000 Index 28/06/2019 1400.0	2	USD	2,176	18	0.00
Put Russel 2000 Index 30/08/2019 1410.0	1	USD	2,201	1,338	0.07
Put Russel 2000 Index 31/07/2019 1440.0	1	USD	2,021	841	0.04
			7,283	2,211	0.11
<b>Options</b>			<b>7,283</b>	<b>2,211</b>	<b>0.11</b>
<b>Total quoted securities - investments</b>			<b>1,805,799</b>	<b>1,881,489</b>	<b>98.54</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### D) Open foreign currency contracts

Maturity	Counterparty	Currency	Purchased '000	Currency	Sold '000	Fair value £'000	Net assets %
01.07.19	RBC Investor Services Luxembourg	EUR	2,054	GBP	(1,844)	(1)	-
01.07.19	RBC Investor Services Luxembourg	GBP	17	EUR	(19)	-	-
01.07.19	RBC Investor Services Luxembourg	EUR	17	GBP	(16)	-	-
01.07.19	RBC Investor Services Luxembourg	GBP	352	EUR	(393)	-	-
02.07.19	RBC Investor Services Luxembourg	EUR	11	GBP	(10)	-	-
02.07.19	RBC Investor Services Luxembourg	EUR	555	GBP	(498)	-	-
02.07.19	RBC Investor Services Luxembourg	EUR	66	GBP	(59)	-	-
02.07.19	RBC Investor Services Luxembourg	GBP	19	EUR	(21)	-	-
<b>Total as at 30 June 2019</b>						<b>(1)</b>	<b>-</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
Germany	20.15	18.81
France	18.81	18.46
Netherlands	15.24	17.99
Great Britain	14.35	12.99
Switzerland	9.20	5.63
Finland	6.70	7.22
Spain	4.72	4.61
United States	4.55	5.76
Belgium	2.40	3.56
Italy	1.88	1.97
Bermuda	0.48	0.60
Canada	0.06	0.11
Total investments at fair value through profit or loss	98.54	97.71
Other net assets	1.46	2.29
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>

% PEA eligible holding as at 30 June 2019 was 84.25% (2018: 85.61%).  
("PEA" stands for Plan d'Épargne en Actions and is applicable to French investors).



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018
	%	%
Food and distilleries	16.58	16.79
Graphic art and publishing	10.69	12.90
News transmission	9.62	9.99
Internet software	9.26	8.44
Mechanics and machinery	8.37	5.89
Chemicals	7.23	6.61
Biotechnology	5.34	5.56
Aerospace technology	4.52	4.72
Mines and heavy machinery	4.20	3.96
Petrol	3.98	4.16
Automobile industry	3.93	3.73
Pharmaceuticals and cosmetics	3.54	3.50
Tobacco and spirits	3.01	3.53
Consumer goods	2.29	2.49
Construction and building materials	1.93	1.44
Retail	1.44	1.33
Holding and finance companies	1.26	-
Electronic semiconductor	1.18	1.46
Miscellaneous	0.11	1.10
Public services	0.06	0.11
Total investments at fair value through profit or loss	98.54	97.71
Other net assets	1.46	2.29
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£
<b>PURCHASES</b>		
OCI	2,340	50,948
Schindler Holding	221	37,720
Elior Group	2,606	27,375
Bayer	389	20,657
Liberty Global - Class C	801	15,518
Nokia	3,509	14,442
ThyssenKrupp	1,325	14,225
Aryzta	15,212	14,199
CECONOMY	3,045	12,022
Reckitt Benckiser Group	148	8,857
SAP	83	6,835
Imerys	134	5,345
OC Oerlikon	471	4,802
Pearson	490	4,158
Sligro Food	105	2,961
Wartsila	161	2,154
Telenet Group Holding	58	2,135
Rolls-Royce Holdings	725,886	726
Biotest Vorzugsaktien	32	644
Rolls-Royce Holdings	-	497

The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.

Security name	Quantity	Proceeds
	'000	£
<b>SALES</b>		
Akzo Nobel	872	57,625
METRO	4,335	55,274
Danone	821	49,243
Wolters Kluwer	891	46,559
Telenet Group Holding	852	33,630
SBM Offshore	2,243	32,512
Heineken Holding	388	29,806
Oracle	693	28,334
SAP	299	27,966
Liberty Global - Class C	1,336	25,650
Vivendi	1,083	23,166
Nokia	4,056	18,361
Grifols	584	12,158
Reckitt Benckiser Group	187	11,691
Rolls-Royce Holdings	1,258	11,172
Konecranes	375	11,055
Corbion	435	10,602
JCDecaux	367	8,600
D'ieteren	215	7,363
Sanofi	97	6,358

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.



# JOHCM Japan Fund

A sub-fund of J O Hambro Capital Management  
Umbrella Fund plc



**Scott McGlashan**  
**Senior Fund Manager**

Scott joined JOHCM in April 2004 and has 42 years industry experience.



**Ruth Nash**  
**Senior Fund Manager**

Ruth joined JOHCM in April 2005 and has 33 years industry experience.

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## INVESTMENT MANAGEMENT REPORT

for the financial period ended 30 June 2019

### Performance

The JOHCM Japan Fund returned 6.19%, net of fees and in sterling terms for the 'A' share class, for the six-month period to 30 June 2019. Over the same period, the Topix Total Return Index (12pm adjusted) returned 8.14%.

### Investment background

Japanese equities made good gains over the first half of 2019, albeit were more modest in magnitude than other developed market stocks. At the beginning of the year, although there appeared to be some progress on the US-China trade talks, good news on this front was more than offset by concerns about the global economic outlook, particularly once it became clear that the Federal Reserve had abandoned its policy of raising interest rates. Combined with some poor economic news out of the US and Europe and the inversion of the US yield curve (often a sign of recession), this was enough to send investors in Japanese equities scurrying back to overvalued growth stocks.

The slowdown in global growth clearly had an impact on business confidence with the Ministry of Finance's business survey exhibiting its biggest drop in over two years in March. And although the Bank of Japan left monetary policy unchanged, it did downgrade its economic outlook. On the other hand, the fourth quarter GDP number was revised up, the labour market hit a 30-year high and residential prices in the regions rose for the first time in 27 years.

### Fund review

Investors continued their pursuit of overvalued growth names during the period and our portfolio of value-orientated names suffered as a result. A significant amount of the

underperformance can be attributed to weakness in our transport and communications names, although much of the damage also came from the construction sector, where Tokyu Construction and Maeda Corp all paid a heavy price for conservative guidance. Maeda Corp posted record profits again, but forecast a decline in profits this year, due to a one-off drop in order completions. However, its order backlog is at record levels and it is the leader in Japan's growing concession business. Even on Maeda's conservative numbers, it is generating a return on equity of 10.5%, trades on less than 8x earnings and on a 30% discount to book value.

There was a strong contribution from our Hitachi Group companies, following an article in the Nikkei which suggested that the parent company might be looking to make Hitachi High Technologies a 100% subsidiary. We have long expected further restructuring from Hitachi. Interest in the stock is increasing, but it remains undervalued.

Whilst investors remain focused on the global macro environment, it would be naïve to expect them to suddenly start to focus on the undervaluation of individual names. However, the disconnect between the quality of individual companies and the valuation ascribed to them by the market is increasingly striking.

**Scott McGlashan**  
Senior Fund Manager

**Ruth Nash**  
Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

	Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
		'000		£'000	£'000	%
JAPAN	Aeon Fantasy	160	JPY	3,004	2,616	0.98
	Ahresty	725	JPY	4,781	2,957	1.11
	Aida Engineering	625	JPY	3,662	3,807	1.43
	Airport Facilities	650	JPY	3,076	2,403	0.90
	Albis	155	JPY	3,779	2,612	0.98
	Daibiru	1,125	JPY	8,449	8,253	3.10
	Denso	185	JPY	6,882	6,140	2.30
	Fukuoka Financial	200	JPY	3,579	2,880	1.08
	H2O Retailing	460	JPY	5,325	4,183	1.57
	Hitachi	375	JPY	8,382	10,841	4.07
	Hitachi Construction Machinery	190	JPY	3,598	3,898	1.46
	Hitachi High-Technologies	100	JPY	2,319	4,056	1.52
	Hokuhoku Financial Group	385	JPY	4,593	3,157	1.18
	IBJ Leasing	375	JPY	6,297	7,405	2.78
	Ichiyoshi Securities	725	JPY	5,650	3,864	1.45
	Iino Kaiun Kaisha	1,850	JPY	6,627	4,863	1.82
	Inaba Denki Sangyo	105	JPY	2,097	3,475	1.30
	Izumi Co	80	JPY	3,334	2,551	0.96
	J Front Retailing	585	JPY	5,629	5,290	1.99
	Japan Excellent	4	JPY	3,198	4,633	1.74
	Japan Post Holdings	700	JPY	6,049	6,253	2.35
	JX Holdings	900	JPY	3,506	3,521	1.32
	Keisei Electric Railway	280	JPY	4,828	8,046	3.02
	Kyowa Exeo	440	JPY	4,344	8,640	3.24
	Maeda	1,375	JPY	8,272	8,678	3.26
	Meidensha	290	JPY	3,947	3,576	1.34
	Mimasu Semiconductor Industry	425	JPY	4,347	5,004	1.88
	Minebea	375	JPY	3,518	5,011	1.88
	Mitsubishi Electric	600	JPY	6,334	6,234	2.34
	NGK Spark Plug	235	JPY	3,628	3,479	1.31
	Nishi-Nippon Railroad	375	JPY	6,748	6,315	2.37
	Nishio Rent All	225	JPY	4,455	5,016	1.88
	Nomura Real Estate Holdings	390	JPY	5,300	6,613	2.48
	NS Solutions	160	JPY	3,262	4,006	1.50
	OKUMA	90	JPY	3,626	3,644	1.37
	Resorttrust	280	JPY	4,061	3,380	1.27
	Sankyu	150	JPY	2,950	6,216	2.33
	Seibu Holdings	700	JPY	9,516	9,205	3.46



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description		Quantity	Currency	Acquisition cost	Fair value	Net assets
		'000		£'000	£'000	%
JAPAN	Shin-Etsu Chemical	60	JPY	4,107	4,408	1.65
(continued)	Shinmaywa Industries	320	JPY	1,785	3,210	1.20
	Sumitomo Densetsu	335	JPY	3,481	4,194	1.57
	Taiyo Holdings	120	JPY	2,772	2,855	1.07
	Taiyo Yuden	320	JPY	4,388	4,697	1.76
	TechnoPro Holdings	125	JPY	4,214	5,235	1.96
	Tokio Marine Holdings	200	JPY	6,512	7,906	2.97
	Tokyu	525	JPY	6,064	7,345	2.77
	Tokyu Construction	750	JPY	5,578	3,998	1.50
	Tokyu Fudosan Holdings	1,850	JPY	8,205	8,059	3.02
	Toyobo	405	JPY	5,375	3,813	1.43
	Toyota Industries	255	JPY	10,483	11,071	4.15
	Tsubaki Nakashima	280	JPY	4,398	3,614	1.36
				250,314	263,126	98.73
<b>Transferable securities admitted to an official stock exchange listing</b>				<b>250,314</b>	<b>263,126</b>	<b>98.73</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### B) OTC financial derivative instruments: open foreign currency contracts

Maturity	Counterparty	Currency	Purchased	Currency	Sold	Fair value	Net assets
			'000		'000	£'000	%
01.07.19	RBC Investor Services Luxembourg	GBP	5	JPY	(693)	-	-
01.07.19	RBC Investor Services Luxembourg	GBP	36	JPY	(4,941)	-	-
01.07.19	RBC Investor Services Luxembourg	GBP	95	JPY	(12,991)	-	-
01.07.19	RBC Investor Services Luxembourg	GBP	2	JPY	(235)	-	-
02.07.19	RBC Investor Services Luxembourg	EUR	145	JPY	(17,810)	-	-
02.07.19	RBC Investor Services Luxembourg	JPY	102	GBP	(1)	-	-
02.07.19	RBC Investor Services Luxembourg	GBP	714	JPY	(97,558)	(1)	-
02.07.19	RBC Investor Services Luxembourg	GBP	229	JPY	(31,287)	-	-
31.07.19	RBC Investor Services Luxembourg	GBP	49,584	JPY	(6,760,387)	41	0.02
31.07.19	RBC Investor Services Luxembourg	GBP	24,874	JPY	(3,391,328)	20	0.01
<b>Total as at 30 June 2019</b>						<b>60</b>	<b>0.03</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
Japan	98.73	100.40
Total investments	98.73	100.40
Open foreign currency contracts	0.03	(0.08)
Total investments at fair value through profit or loss	98.76	100.32
Other net asset/(liabilities)	1.24	(0.32)
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018
	%	%
Holding and finance companies	18.49	23.76
Transportation	14.66	13.20
Construction and building material	9.57	8.55
Automobile industry	8.87	8.87
Real estate companies	8.76	8.32
Electronic semiconductor	7.71	8.31
Mechanics and machinery	7.33	7.46
Electronics and electrical equipment	6.50	6.38
Banks and financial institutions	4.23	2.76
Other services	3.84	2.50
Leisure	2.25	1.33
Retail	1.94	2.08
Chemicals	1.65	4.90
Internet software	1.50	-
Textile	1.43	1.28
Mines and heavy industries	-	0.70
<b>Total investments</b>	<b>98.73</b>	<b>100.40</b>
Open foreign currency contracts	0.03	(0.08)
<b>Total investments at fair value through profit or loss</b>	<b>98.76</b>	<b>100.32</b>
Other net asset/(liabilities)	1.24	(0.32)
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£
<b>PURCHASES</b>		
Taiyo Yuden	320	4,388
KDDI	225	4,357
Hitachi Construction Machinery	220	4,169
NS Solutions	190	3,874
Aeon Fantasy	205	3,858
JX Holdings	900	3,506
UUUM	85	2,872
IBJ Leasing	75	1,380
TechnoPro Holdings	35	1,255
Daibiru	160	1,145
Alps Electric	75	1,145
Denso	30	974
Hokuhoku Financial Group	100	836
Mitsubishi Motors	175	787
Shin-Etsu Chemical	10	682
NGK Spark Plug	45	664
Nishi-Nippon Railroad	35	618
Tokio Marine Holdings	15	578
Ichiyoshi Securities	100	550
Fukuoka Financial	25	414

The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.

Security name	Quantity	Cost
	'000	£
<b>SALES</b>		
Mitsubishi UFJ Financial Group	3,000	11,796
Fukuoka Financial	495	7,662
Denka	250	5,693
Japan Excellent	5	5,400
Tokyo Electron	50	5,231
Toray Industries	975	5,087
Komatsu	260	4,727
Alps Electric	350	4,641
Omron	160	4,585
Nisshinbo Holdings	625	4,153
Keisei Electric Railway	150	4,059
Mitsubishi Motors	1,000	4,055
Tokai Tokyo Financial Holdings	1,300	3,833
KDDI	225	3,832
Hitachi	145	3,695
Tokyu	270	3,683
Shin-Etsu Chemical	55	3,613
Denso	115	3,592
Nomura Real Estate Holdings	235	3,590
Hokuhoku Financial Group	415	3,483
Minebea	275	3,431
Shinmaywa Industries	294	3,015
Tokyo Rope Manufacturing	375	2,611
UUUM	85	2,544
Hitachi High-Technologies	85	2,500
Mitsubishi Electric	225	2,190
H2O Retailing	205	2,139
Tokio Marine Holdings	55	2,123
Toyota Industries	50	2,018
OKUMA	45	1,839
Seibu Holdings	125	1,717
Maeda	225	1,707
Resorttrust	130	1,580
Aida Engineering	275	1,550
Mimasu Semiconductor Industry	145	1,524

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.



# JOHCM Global Select Fund

A sub-fund of J O Hambro Capital Management Umbrella Fund plc



**Christopher Lees, CFA  
Senior Fund Manager**  
Christopher joined JOHCM in September 2008 and has 29 years industry experience



**Nudgem Richyal, CFA  
Senior Fund Manager**  
Nudgem joined JOHCM in September 2008 and has 19 years industry experience

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## INVESTMENT MANAGEMENT REPORT

for the period ended 30 June 2019

### Performance

The JOHCM Global Select Fund returned 19.60%, net of fees and in sterling terms for the 'A' share class, for the six-month period to 30 June 2019. Over the same period, the MSCI AC World Index (12pm adjusted) returned 17.04%.

### Investment background

Global equity markets rallied strongly at the beginning of 2019. Sentiment improved dramatically after an abrupt change in stance from the Federal Reserve. Receding trade tensions also helped calm investors' nerves albeit a re-escalation in trade concerns emerged in May as trade talks between the US and China unexpectedly broke down and both sides implemented new tariffs. This was short-lived, however, with investor sentiment improving in June amid an easing of the trade tensions and following indications of further stimulative policies by central banks.

### Fund review

The portfolio outperformed its benchmark over the period despite our relatively high cash position. The negative effect from holding cash in the rising market was easily offset by strength in our healthcare and materials names, which underpinned the outperformance. Newcrest Mining, Estee Lauder and new portfolio addition Rakuten were the top performers while Citrix Systems, NTT Docomo and Equinor were the main laggards.

We followed our process of weeding out the losers where they are broken fundamentally or technically, namely, TD Ameritrade, E\*Trade, South 32, Mitsui, Equinor, and Total. Interestingly, the last two are oil companies, an area we are now zero-weighted as our top-down scorecard turned negative on the energy sector towards the end of the period.

In the UK technology sector, we bought Atlassian, the global leader in project management and collaboration software, which is one of the newest and fastest growing segments of the global enterprise software market. In the European industrials sector, we bought Vestas, the world's leading wind turbine manufacturers. In Japan, we bought Recruit, which is the world's leading on-line recruitment company (indeed.com), and Rakuten, which is disrupting the immensely profitable Japanese telecoms oligopoly.

We remain very happy with the overall shape of the portfolio and the vast majority of the portfolio holdings. We expect cash to remain between 5-10% as we continue our search for genuinely different and interesting new opportunities in a fast changing investment environment.

It will be very interesting to see which markets/sectors follow the USA and break to new highs, thus confirming the leadership of the next bull phase, or if most markets/sectors fall again around their previous highs thus confirming another market correction.

Our Bayesian probability-based process is currently in a "wait and see mode," with the probabilities slightly increasing for Scenarios 1 and 2 while slightly decreasing for Scenario 3 given the significant change in US interest rate policy to offset the ongoing trade wars:

Scenario 1: Markets go up with the SAME leadership (e.g. technology, USA, growth) – is still more likely given that US interest rates are no longer rising and global growth remains challenged, so we will probably buy some new exciting technology companies on any dips.

Scenario 2: Markets go up with NEW leadership – if so, the market will probably sector rotate quite viciously, which might give us "some early Christmas presents" in various sectors where great companies get temporarily sold down on various macro concerns.

Scenario 3: Markets STOP going up – (e.g. sideways volatility or bull market correction or bear market) – plausible but still the least likely with the Fed on hold and credit markets stable. Our process suggests having some defence in the portfolio, but that it is too early to get fully defensive.

We will keep using any market sell-offs to find new "early Christmas presents" in structural winners, who are usually the disruptors, the compounders, the early stage growth or restructuring companies; and increasingly the "healthy or sustainable" companies as Western consumers are beginning to "vote with their wallets."

We will continue to "weed out the losers" and replace them with interesting idiosyncratic stocks (low correlation to sector or country) that are less affected by the short-term machine-driven flows and the long-term passive flows that dominate today's highly correlated investment environment

**Christopher Lees**  
Senior Fund Manager

**Nudgeam Richyal**  
Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
			'000	£'000	£'000
AUSTRALIA	Newcrest Mining	AUD	24,217	56,304	2.94
			24,217	56,304	2.94
BERMUDA	IHS Markit	USD	24,876	49,300	2.58
			24,876	49,300	2.58
CANADA	First Quantum Minerals	CAD	39,157	38,349	2.01
			39,157	38,349	2.01
CAYMAN ISLANDS	Momo	USD	38,170	39,658	2.07
			38,170	39,658	2.07
DENMARK	Vestas Wind Systems	DKK	44,720	43,918	2.30
			44,720	43,918	2.30
GERMANY	SAP	EUR	23,835	48,843	2.55
			23,835	48,843	2.55
GREAT BRITAIN	Atlassian	USD	39,603	44,204	2.31
	BHP Group	GBP	20,546	46,603	2.44
	Rio Tinto	GBP	20,945	47,933	2.51
			81,094	138,740	7.26
HONG KONG	Hong Kong Exchanges and Clearing	HKD	28,648	44,303	2.32
			28,648	44,303	2.32
IRELAND	Accenture	USD	24,378	49,225	2.57
	Medtronic	USD	47,535	48,710	2.55
			71,913	97,935	5.12
JAPAN	Kao	JPY	28,005	46,603	2.44
	Nippon Telegraph & Telephone	JPY	38,357	49,735	2.60
	PeptiDream	JPY	27,484	47,244	2.47
	Rakuten	JPY	43,009	53,887	2.82
	Recruit Holdings	JPY	40,264	46,112	2.41
	SBI Holdings	JPY	32,461	48,347	2.53
	Takeda Pharmaceutical	JPY	46,486	41,921	2.19
			256,066	333,849	17.46
NEW ZEALAND	a2 Milk	AUD	17,722	39,497	2.07
			17,722	39,497	2.07



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
	'000		£'000	£'000	%
UNITED STATES Agilent Technologies	801	USD	46,515	46,230	2.42
Alphabet	47	USD	15,165	39,672	2.07
Carbon Black	2,844	USD	38,128	36,804	1.92
Cboe Global Markets	538	USD	27,434	45,002	2.36
Citrix Systems	561	USD	30,984	43,251	2.27
CME Group	300	USD	19,232	45,790	2.39
Cree	817	USD	24,100	37,793	1.98
Estee Lauder Cos	343	USD	37,269	49,235	2.58
Intercontinental Exchange	715	USD	25,350	48,235	2.52
Intuit	214	USD	18,452	43,462	2.27
Medpace Holdings	945	USD	43,648	47,822	2.50
Microsoft	438	USD	15,728	46,323	2.42
Nasdaq	588	USD	23,504	44,615	2.33
NextEra Energy	277	USD	23,290	44,637	2.33
Oracle	1,107	USD	33,319	49,533	2.59
PayPal Holdings	530	USD	34,961	47,507	2.48
PRA Health Sciences	557	USD	48,580	42,129	2.20
Thermo Fisher Scientific	202	USD	36,962	46,863	2.46
			542,621	804,903	42.09
Transferable securities admitted to an official stock exchange listing			1,193,039	1,735,599	90.77



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### B) OTC financial derivative instruments: open foreign currency contracts

Maturity	Counterparty	Currency	Purchased	Currency	Sold	Fair value	Net assets
			'000		'000	£'000	%
01.07.19	RBC Investor Services Luxembourg	USD	731	EUR	(643)	(1)	-
01.07.19	RBC Investor Services Luxembourg	GBP	35	USD	(45)	-	-
01.07.19	RBC Investor Services Luxembourg	GBP	115	USD	(146)	-	-
02.07.19	RBC Investor Services Luxembourg	EUR	37	USD	(42)	-	-
02.07.19	RBC Investor Services Luxembourg	USD	586	EUR	(516)	(1)	-
02.07.19	RBC Investor Services Luxembourg	USD	4	GBP	(3)	-	-
<b>Total as at 30 June 2019</b>						<b>(2)</b>	<b>-</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
United States	42.09	42.58
Japan	17.46	15.82
Great Britain	7.26	4.76
Ireland	5.12	4.56
Australia	2.94	4.90
Bermuda	2.58	2.25
Germany	2.55	2.21
Hong Kong	2.32	2.26
Denmark	2.30	-
New Zealand	2.07	2.45
Cayman Islands	2.07	1.43
Canada	2.01	1.42
France	-	2.26
Norway	-	2.09
Total investments at fair value through profit or loss	90.77	88.99
Other net assets	9.23	11.01
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>

% PEA eligible holding as at 30 June 2019 was 17.23% (2018: 15.88%).  
("PEA" stands for Plan d'Épargne en Actions and is applicable to French investors).



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018
	%	%
Internet software	20.47	15.16
Holding and finance companies	17.19	19.71
Pharmaceuticals and cosmetics	12.23	11.52
Biotechnology	7.12	6.55
Public services	4.63	2.48
Mines and heavy industries	4.45	6.39
Electronic semiconductor	4.44	4.55
Precious metals	2.94	2.46
Retail	2.82	-
News transmission	2.60	4.46
Other services	2.57	2.19
Non-ferrous metals	2.51	2.23
Graphic art and publishing	2.41	-
Banks and financial institutions	2.32	2.26
Consumer goods	2.07	2.45
Petrol	-	4.35
Business houses	-	2.23
Total investments at fair value through profit or loss	90.77	88.99
Other net assets	9.23	11.01
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£
<b>PURCHASES*</b>		
Vestas Wind Systems	652	44,720
Rakuten	5,750	43,009
Recruit Holdings	1,752	40,264
Atlassian	428	39,603
Carbon Black	2,844	38,128
First Quantum Minerals	887	7,238
Agilent Technologies	92	5,108
PRA Health Sciences	43	3,153
Takeda Pharmaceutical	100	2,837
Medpace Holdings	51	2,246
Citrix Systems	28	2,182
SBI Holdings	8	133

\* Represents total purchases during the year.

The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.

Security name	Quantity	Cost
	'000	£
<b>SALES</b>		
TD Ameritrade Holding	1,100	46,336
South32	24,685	44,513
Total	1,014	41,459
Mitsui	3,463	39,888
E*TRADE Financial	1,110	39,678
NTT DOCOMO	2,278	36,279
Equinor	2,361	35,985
Cree	543	24,039
a2 Milk	2,867	21,174
Microsoft	134	11,647
Intuit	54	9,661
NextEra Energy	66	9,499
BHP Group	532	9,253
PeptiDream	256	8,730
Newcrest Mining	633	8,430
SAP	74	7,576
PayPal Holdings	104	7,556
Hong Kong Exchanges and Clearing	272	7,007
Thermo Fisher Scientific	32	6,539
Alphabet	8	6,491
Medpace Holdings	128	6,395
IHS Markit	143	6,044
Agilent Technologies	88	5,105
Rio Tinto	118	5,104
PRA Health Sciences	59	4,834
Nasdaq	72	4,798

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.



# JOHCM Emerging Markets Fund

A sub-fund of J O Hambro Capital Management Umbrella Fund plc



**Emery Brewer**  
**Senior Fund Manager**

Emery joined JOHCM in March 2010 and has 28 years industry experience



**Dr Ivo Kovachev**  
**Senior Fund Manager**

Ivo joined JOHCM in March 2010 and has 24 years industry experience

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## INVESTMENT MANAGEMENT REPORT

for the period ended 30 June 2019

### Performance

The JOHCM Emerging Markets Fund returned 9.48%, net of fees and in sterling terms for the 'A' share class, over the six-month period to 30 June 2019. Over the same period, the MSCI Emerging Markets Index (12pm adjusted) returned 11.24%.

### Investment background

Emerging market equities rallied strongly alongside developed markets at the beginning of 2019, recovering from their Q4 2018 lows. The asset class benefited from a number of material tailwinds, notably an interest rate policy u-turn by the US Federal Reserve along with improved investor sentiment surrounding China after the Chinese Government introduced stimulus measures to reinvigorate the slowing Chinese economy and the US's decision to suspend tariff hikes on US\$200bn of Chinese goods.

This positivity surrounding global trade was short lived as markets saw a re-escalation of trade tensions in May. Trade talks between the US and China unexpectedly broke down and both sides implemented new tariffs while the US Commerce department placed Chinese telecoms giant Huawei and 70 of its affiliates on its trade blacklist. Sentiment did improve in June as hopes for further trade talks following the G20 summit provided some optimism. Sentiment was also further boosted by investors' expectations of a more dovish Fed and the possibility of interest rate cuts in the US.

Within the benchmark, gains were led by Argentina, Greece, Egypt and Russia. Positive political developments in Argentina's Presidential race helped boost equities there as the main candidates became more centrist. Russia was buoyed by state-owned monopoly Gazprom increasing its dividend as well as an interest rate cut and the possibility of further cuts in future. Pakistan was the only material laggard of note as it continues to face multiple economic challenges.

### Fund review

Underperformance over the period came from modestly negative sector allocation and stock selection. There were no material standout contributors at the sector level, although modest strength in our materials names was offset by weakness in financials.

Anglogold Ashanti was the top performer over the period. Gold stocks rallied as investors scrambled to close underweight positions amid a weaker dollar and rising expectations of interest rate cuts. AngloGold received an added boost after announcing plans to sell its remaining assets in South Africa.

Elsewhere, Cyrela Brazil Realty, a Brazilian real estate developer, benefited alongside the more rate-sensitive sectors in Brazil. Home prices are improving and strong pre-sales have led to inventory destocking.

Within financials, Cathay Financial Holding lagged, while not owning Ping An Insurance also provided a drag on relative returns. The former was hurt by lowering expectations of future rate hikes in the US and a lower dividend payout in order to retain more capital. The main laggard was Korea's CJ Logistics.

Looking forward, we see the technology sector continuing to struggle on the back of the maturing cell phone market and inventory digestion in memory chips. In addition, the continued uncertainty surrounding Huawei will slow the push towards 5G later this year and into next year, not to mention trade volatility surrounding the US/China and Europe, will put the brakes on capex and investment spend.

**Emery Brewer**  
Senior Fund Manager

**Dr Ivo Kovachev**  
Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
			'000	£'000	£'000
AUSTRIA	Erste Group Bank	EUR	36	37	0.73
			36	37	0.73
BERMUDA	Credicorp	USD	34	37	0.73
			16	35	0.69
			68	72	1.42
BRAZIL	Banco Bradesco	USD	56	62	1.22
	Cia Brasileira de Distribuicao	USD	16	16	0.32
	Cyrela Brazil Realty SA Empreendimentos e Participacoes	BRL	60	81	1.60
	Localiza Rent a Car	BRL	25	30	0.59
	Lojas Renner	BRL	31	40	0.79
	Magazine Luiza	BRL	23	43	0.85
	MRV Engenharia e Participacoes	BRL	27	31	0.61
	Petroleo Brasileiro	USD	24	27	0.53
	Rumo	BRL	24	29	0.57
	Sul America	BRL	31	35	0.69
	Telefonica Brasil	USD	26	27	0.53
		343	421	8.30	
CANADA	Parex Resources	CAD	34	40	0.79
			34	40	0.79
CAYMAN ISLANDS	Airtac International	TWD	32	29	0.57
ISLANDS	Alibaba Group Holding	USD	136	178	3.52
	ANTA Sports Products	HKD	36	61	1.20
	China Conch Venture Holdings	HKD	36	50	0.99
	Chlitina Holding	TWD	28	27	0.53
	CIMC Enric Holdings	HKD	31	23	0.45
	Geely Automobile Holdings	HKD	37	30	0.59
	JD.com	USD	35	37	0.73
	New Oriental Education & Technology Group	USD	33	37	0.73
	Sunac China Holdings	HKD	48	56	1.11
	Tencent Holdings	HKD	129	214	4.23
	ZTO Express Cayman	USD	25	26	0.51
		606	768	15.16	



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets	
			'000	£'000	£'000	%
CHINA	China Merchants Bank	5	HKD	19	18	0.36
	China Vanke	16	HKD	45	48	0.95
	CITIC Securities	27	HKD	44	44	0.87
	Industrial & Commercial Bank of China	228	HKD	109	131	2.59
				217	241	4.77
COLOMBIA	Bancolombia	1	USD	39	40	0.79
				39	40	0.79
GREAT BRITAIN	Anglo American	3	ZAR	49	67	1.32
				49	67	1.32
HONG KONG	China Mobile	7	HKD	49	47	0.93
	China Taiping Insurance Holdings	29	HKD	71	62	1.22
	CNOOC	63	HKD	62	85	1.68
	Hua Hong Semiconductor	10	HKD	20	15	0.30
	SJM Holdings	66	HKD	58	59	1.17
				260	268	5.30
INDIA	Apollo Hospitals Enterprise	2	INR	29	29	0.57
	Axis Bank	7	INR	49	67	1.32
	Bharat Electronics	28	INR	33	36	0.71
	HCL Technologies	3	INR	35	37	0.73
	ICICI Bank	18	INR	66	89	1.77
	Larsen & Toubro	4	INR	65	73	1.44
	REC	27	INR	43	50	0.99
	Reliance Industries	5	INR	57	68	1.34
UPL	4	INR	36	43	0.85	
				413	492	9.72
INDONESIA	Bank Rakyat Indonesia Persero	296	IDR	51	72	1.42
	Telekomunikasi Indonesia Persero Tbk PT	281	IDR	62	65	1.28
				113	137	2.70
JERSEY	Wizz Air Holdings	1	GBP	31	33	0.65
				31	33	0.65
MALAYSIA	Telekom Malaysia Bhd	46	MYR	34	35	0.69
				34	35	0.69
MEXICO	Grupo Financiero Banorte	9	MXN	40	40	0.79
	Wal-Mart de Mexico	34	MXN	64	73	1.44
				104	113	2.23



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description		Quantity	Currency	Acquisition cost	Fair value	Net assets
		'000		£'000	£'000	%
NETHERLANDS	SBM Offshore	2	EUR	32	36	0.71
	X5 Retail	3	USD	58	74	1.46
	Yandex	1	USD	32	37	0.73
				122	147	2.90
PHILIPPINES	Ayala Land	80	PHP	58	62	1.22
	BDO Unibank	6	PHP	12	12	0.24
				70	74	1.46
POLAND	CD Projekt	0	PLN	11	11	0.22
	Dino Polska	2	PLN	28	42	0.83
	Orange Polska	14	PLN	19	19	0.38
	Powszechna Kasa Oszczednosci Bank Polski	7	PLN	58	65	1.28
				116	137	2.71
RUSSIA	Gazprom PJSC	8	USD	35	43	0.85
	Lukoil	1	USD	29	34	0.67
	Sberbank of Russia	7	USD	72	85	1.68
				136	162	3.20
SOUTH AFRICA	AngloGold Ashanti	6	ZAR	54	84	1.66
	Foschini Group	4	ZAR	43	42	0.83
	Gold Fields	3	USD	13	15	0.30
	MTN Group	4	ZAR	23	26	0.51
	Naspers	0	ZAR	60	88	1.74
	Nedbank Group	2	ZAR	37	35	0.69
	Old Mutual	8	ZAR	10	10	0.20
				240	300	5.93
SOUTH KOREA	CJ Logistics	0	KRW	13	10	0.20
	Douzone Bizon	1	KRW	32	35	0.69
	Fila Korea	0	KRW	17	20	0.39
	Hana Financial Group	1	KRW	31	33	0.66
	Hanwha Chemical	1	KRW	12	12	0.24
	Kakao	1	KRW	48	51	1.01
	Kia Motors	2	KRW	50	58	1.15
	LG	1	KRW	66	67	1.32
	LG Household & Health Care	0	KRW	54	62	1.22
	POSCO	0	KRW	27	24	0.48
	Samsung Electronics	7	KRW	145	213	4.21
	SK Hynix	0	KRW	12	12	0.24
				507	597	11.81



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

	Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
				'000	£'000	£'000
TAIWAN	CTBC Financial Holding	70	TWD	37	38	0.75
	Delta Electronics	19	TWD	66	76	1.50
	Hon Hai Precision Industry	11	TWD	25	22	0.43
	MediaTek	10	TWD	73	80	1.58
	Merida Industry	13	TWD	48	61	1.20
	Taiwan Semiconductor Manufacturing	4	USD	107	136	2.69
	Uni-President Enterprises	19	TWD	37	40	0.79
				393	453	8.94
THAILAND	Bangkok Bank	5	THB	22	23	0.45
	Com7	36	THB	20	20	0.39
	Srisawad	29	THB	40	42	0.83
				82	85	1.67
UNITED STATES	MercadoLibre	0	USD	18	26	0.51
				18	26	0.51
<b>Transferable securities admitted to an official stock exchange listing</b>				<b>4,031</b>	<b>4,745</b>	<b>93.70</b>
<b>B) Other transferable securities dealt on another regulated market</b>						
UNITED ARAB EMIRATES	Emaar Properties PJSC	40	AED	40	38	0.75
				40	38	0.75
<b>Other transferable securities dealt on another regulated market - equities</b>				<b>40</b>	<b>38</b>	<b>0.75</b>
<b>C) Other transferable securities</b>						
CHINA	Oppein Home Group	3	USD	35	34	0.67
				35	34	0.67
<b>Other transferable securities - warrants</b>				<b>35</b>	<b>34</b>	<b>0.67</b>
<b>Investment in Transferable securities</b>				<b>4,106</b>	<b>4,817</b>	<b>95.12</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### B) OTC financial derivative instruments: open foreign currency contracts

Maturity	Counterparty	Currency	Purchased	Currency	Sold	Fair value	Net assets
			'000		'000	£'000	%
01.07.19	RBC Investor Services Luxembourg	GBP	-	USD	(1)	-	-
02.07.19	RBC Investor Services Luxembourg	HKD	6	USD	(1)	-	-
<b>Total as at 30 June 2019</b>						-	-



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
Cayman Islands	15.16	11.58
South Korea	11.81	11.11
India	9.72	9.58
Taiwan	8.94	8.53
Brazil	8.30	8.18
South Africa	5.93	5.50
China	5.44	8.78
Hong Kong	5.30	7.72
Russia	3.20	1.52
Netherlands	2.90	2.34
Poland	2.71	2.43
Indonesia	2.70	2.78
Mexico	2.23	3.08
Thailand	1.67	2.64
Philippines	1.46	-
Bermuda	1.42	0.78
Great Britain	1.32	1.24
Canada	0.79	1.45
Colombia	0.79	-
Austria	0.73	0.70
United Emirates Arab	0.75	-
Malaysia	0.69	0.52
Jersey	0.65	0.68
United States	0.51	-
Chile	-	1.05
Czech	-	0.99
Turkey	-	0.57
Italy	-	0.57
Hungary	-	0.47
Total investments at fair value through profit or loss	95.12	94.79
Other net assets	4.88	5.21
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>

% PEA eligible holding as at 30 June 2019 was 7.66% (2018: 8.74%).

("PEA" stands for Plan d'Épargne en Actions and is applicable to French investors).



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018
	%	%
Banks and financial institutions	16.06	15.47
Electronic semiconductor	7.87	8.53
Retail	6.42	5.48
Graphic art and publishing	5.97	5.78
Holding and finance companies	5.87	6.41
Real estate companies	5.63	3.36
News transmission	5.01	2.96
Petrol	4.38	5.88
Internet software	4.06	1.99
Electronics and electrical equipment	3.79	2.41
Other services	3.52	2.64
Chemicals	2.43	3.21
Insurance	2.11	2.84
Construction and building material	2.05	-
Precious metals	1.96	1.95
Transportation	1.93	2.03
Pharmaceuticals and cosmetics	1.79	4.59
Automobile industry	1.74	1.27
Food and distilleries	1.62	1.28
Business houses	1.59	0.95
Non-ferrous metals	1.32	1.24
Textile	1.20	2.10
Leisure	1.17	1.23
Mechanics and machinery	1.02	3.26
Public services	0.99	2.39
Investment funds	0.99	-
Healthcare education and social services	0.73	-
Various capital goods	0.67	-
Consumer goods	0.53	0.82
Mines and heavy industries	0.48	-
Office equipment computers	0.22	-
Total investments at fair value through profit or loss	95.12	94.79
Other net assets	4.88	5.21
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£

### PURCHASES

Telekomunikasi Indonesia Persero		
Tbk PT	529	116
Sberbank of Russia	10	108
Ayala Land	134	97
Sunac China Holdings	29	97
Samsung Electronics	3	94
Cia Brasileira de Distribuicao	5	91
REC	57	90
Haier Electronics	40	86
First Quantum Minerals	9	82
ZTO Express Cayman	6	81
Yandex	3	80
Kakao	1	78
Grupo Financiero Banorte	17	76
Hana Financial Group	3	76
New Oriental Education & Technology Group	1	76
Geely Automobile Holdings	43	73
KIWOOM Securities	1	72
Oppein Home Group	6	71
Emaar Properties PJSC	70	71
MTN Group	13	71
Credicorp	-	69
Kia Motors	3	68
Taiwan Semiconductor Manufacturing	2	67
Bancolombia	2	67
Axis Bank	8	67
Uni-President Enterprises	33	65
Nedbank Group	4	64
Shenzhen Sunway Communication	18	63
Powszechna Kasa Oszczednosci Bank Polski	8	63
Alibaba Group Holding	1	62
NMC Health	2	61
UPL	6	60
Cia Siderurgica Nacional	23	59
SJM Holdings	62	58
CTBC Financial Holding	108	57

The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed

Security name	Quantity	Cost
	'000	£

### SALES

Samsung Electronics	7	210
Taiwan Semiconductor Manufacturing	7	205
Industrial & Commercial Bank of China	338	192
Tencent Holdings	5	172
Alibaba Group Holding	1	167
China Mobile	22	160
ICICI Bank	32	143
Bank Rakyat Indonesia Persero	654	141
Cathay Financial Holding	129	139
Naspers	1	129
Reliance Industries	9	129
Old Mutual	109	127
SJM Holdings	147	125
Sberbank of Russia	11	123
Powszechna Kasa Oszczednosci Bank Polski	16	122
Enel Americas	18	119
Axis Bank	13	116
Bangkok Bank	22	110
Hana Financial Group	4	107
CITIC Securities	66	106
China Vanke	37	106
Wal-Mart de Mexico	48	104
Larsen & Toubro	6	103
Credicorp	1	103
Banco Bradesco	14	100
UPL	9	98

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.



# JOHCM Global Emerging Markets Opportunities Fund

A sub-fund of J O Hambro Capital Management Umbrella Fund plc



**James Syme, CFA**  
**Senior Fund Manager**

James joined JOHCM in May 2011 and has 24 years industry experience.



**Paul Wimbourne**  
**Senior Fund Manager**

Paul joined JOHCM in April 2011 and has 20 years industry experience.

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## INVESTMENT MANAGEMENT REPORT

for the year ended to 30 June 2019

### Performance

The JOHCM Global Emerging Markets Opportunities Fund returned 13.10%, net of fees and in sterling terms for the 'A' share class, over the six-month period to 30 June 2019. Over the same period, the MSCI Emerging Markets Index (12pm adjusted) returned 11.24%.

### Investment background

Emerging market equities rallied strongly alongside developed markets at the beginning of the year, recovering from their Q4 2018 lows. The asset class benefited from a number of material tailwinds, notably an interest rate policy u-turn by the US Federal Reserve along with improved investor sentiment surrounding China after the Chinese Government introduced stimulus measures to reinvigorate the slowing Chinese economy and trade tensions were eased in June.

Various emerging markets including Russia, Malaysia, India and Chile, were able to cut policy rates over the period, both in response to declining inflation and to reduced concerns about US monetary policy tightening. In this seemingly slower-growing world, the winning trades in the first half of 2019 from an EM country perspective were Greece (MSCI USD price index +29.3%) Russia (+28.0%), Argentina (+27.2%) and Egypt (+24.9%). What these markets have in common is that they are generally very cheap (in each case because of some fairly obvious political and economic dysfunction), and their strong performance reflects investors increased appetite for risk as risk-free rates decline. If global rates and yields are to remain depressed, this rotation into risk is likely to endure, even if the headlines remain troubling.

### Fund review

The portfolio outperformed the benchmark, with stock selection accounting for most of the outperformance; country allocation effects were broadly neutral in aggregate over the period. Top-down country allocation drives our process, but there were few highlights at the country level. Our overweight in Russia was helpful as an interest rate cut and a dividend hike from state-owned Gazprom helped boost Russian equity markets. Sberbank contributed meaningfully here. However, the positive effects of our overweight position in Russia were largely offset by the negative effects of our overweight in South Korea. Although stock selection in Korea was generally strong, we did see weakness in SK Telecom. Strong performers over the period include Indian bank, HDFC and China Overseas Property Holding. Some of our Indian names lagged, with discretionary holdings Mahindra & Mahindra and Apollo Tyres weighing on relative returns.

The outlook for emerging markets in the second half of 2019 and beyond has two main macro drivers: US rates and yields, and Chinese growth. This is obviously always the case, but these variables significantly surprised in the first half of the year and will remain of great interest ahead.

The shift in the US yield curve, and the associated expectations for interest rates, has been dramatic. At the end of June 2018, the effective Fed Funds rate was 1.82% and the US 10-year Treasury yield was 2.86%; a year later, those rates were 2.40% and 2.01%, respectively. Even the 30-year Treasury, at 2.53%, is almost trading below the policy rate. This inversion of the longer end of the US yield curve has generally occurred before difficult times in markets, including the early 1980s

twin recessions, the savings and loans crisis, the Asian crisis and end of the tech boom, and the global financial crisis. US data remains reasonably strong, but clearly US fixed income markets see the long economic boom that began in 2009 coming to an end.

While the expectations are for a slowdown in the future in the US, economic growth in China is unambiguously soft. Whilst China notionally has a wider set of policy options than almost any other emerging market, internally imposed constraints mean that there is no easy way to stimulate growth whilst also managing the Renminbi exchange rate.

In addition, trade tensions and related uncertainty may be partly to blame for this developing sense of slowdown. It is clear that economic data, positioning in bond markets and revisions to forecasts point to an environment that is negative for the cyclical, export-driven part of EM. For countries, that means Taiwan, South Korea, China, Mexico, Malaysia and Thailand; for sectors, it means information technology and parts of the industrial, materials and consumer discretionary sectors. We feel that this points to some markets that have lagged the rally in risk, year-to-date.

EM equities remain in aggregate a highly cyclical asset class, but the first half of 2019 has shown that a slowing cycle still creates great opportunities within the asset class.

**James Syme, CFA**  
**Senior Fund Manager**

**Paul Wimbourne**  
**Senior Fund Manager**

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
			£'000	£'000	%
BRAZIL	Petroleo Brasileiro	USD	3,589	4,154	1.13
			3,589	4,154	1.13
CANADA	Barrick Gold	USD	8,353	9,583	2.60
			8,353	9,583	2.60
CAYMAN ISLANDS	China High Precision Automation	HKD	119	-	-
	China Overseas Property Holdings	HKD	4,714	7,514	2.04
	China Resources Land	HKD	4,963	7,479	2.03
	ENN Energy Holdings	HKD	6,088	9,789	2.65
	Hengan International Group	HKD	6,994	6,449	1.75
	Longfor Group Holdings	HKD	6,701	8,543	2.32
	Xinyi Solar Holdings	HKD	3,309	5,167	1.40
			32,888	44,941	12.19
CHINA	China Petroleum & Chemical	HKD	5,141	4,712	1.28
	China Petroleum & Chemical	USD	6,702	6,357	1.72
	Zhejiang Expressway	HKD	5,199	5,691	1.54
			17,042	16,760	4.54
CYPRUS	Globaltrans Investment	USD	3,992	3,743	1.01
			3,992	3,743	1.01
CZECH	Komerční banka	CZK	5,386	5,704	1.55
			5,386	5,704	1.55
HONG KONG	China Mobile	HKD	4,413	3,998	1.08
	China Mobile	USD	10,722	10,577	2.87
	China Overseas Land & Investment	HKD	5,947	8,422	2.28
	CNOOC	USD	7,661	8,251	2.24
	CNOOC	HKD	5,363	5,862	1.59
			34,106	37,110	10.06
INDIA	Apollo Tyres	INR	7,780	7,349	1.99
	Container Corp Of India	INR	4,676	5,196	1.41
	HDFC Bank	USD	8,584	12,973	3.52
	ICICI Bank	USD	1,203	2,081	0.56
	Indiabulls Housing Finance	INR	6,954	6,597	1.79
	ITC	INR	2,728	3,360	0.91
	Larsen & Toubro	INR	10,082	10,447	2.83
	Mahindra & Mahindra	INR	8,820	7,827	2.12
Reliance Industries	INR	2,773	4,535	1.23	
			53,600	60,365	16.36



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

	Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
				'000	£'000	£'000
JERSEY	Centamin	1,337	GBP	1,173	1,528	0.41
				1,173	1,528	0.41
MEXICO	Bolsa Mexicana de Valores	1,622	MXN	2,160	2,374	0.64
	Grupo Financiero Banorte	1,680	MXN	6,751	7,748	2.10
	Wal-Mart de Mexico	5,780	MXN	10,931	12,607	3.42
				19,842	22,729	6.16
RUSSIA	Sberbank of Russia	1,043	USD	10,998	12,729	3.45
				10,998	12,729	3.45
SOUTH AFRICA	MultiChoice Group	105	ZAR	344	784	0.21
	Naspers	118	ZAR	13,387	22,264	6.04
				13,731	23,048	6.25
SOUTH KOREA	Cheil Worldwide	309	KRW	4,135	6,202	1.68
	Hyundai Motor pref.	65	KRW	3,916	3,516	0.95
	NAVER	47	KRW	4,297	3,644	0.99
	S-1	11	KRW	749	730	0.20
	Samsung Electronics	567	KRW	12,165	18,206	4.94
	Samsung Electronics	18	USD	10,467	14,079	3.82
	SK Hynix	65	KRW	2,064	3,092	0.84
	SK Telecom	67	KRW	11,370	11,794	3.20
			49,163	61,263	16.62	
TAIWAN	Cathay Financial Holding	5,609	TWD	5,783	6,136	1.66
	Cleanaway	392	TWD	1,586	1,616	0.44
	Fubon Financial Holding	4,009	TWD	4,416	4,677	1.27
	MediaTek	567	TWD	4,415	4,528	1.23
	Primax Electronics	1,233	TWD	1,797	1,697	0.46
	Tong Yang Industry	3,404	TWD	4,928	3,888	1.05
				22,925	22,542	6.11
TURKEY	BIM Birlesik Magazalar	174	TRY	1,858	1,856	0.50
	Coca-Cola Icecek	472	TRY	1,800	1,938	0.53
	Turkcell Iletisim Hizmetleri	1,054	TRY	1,729	1,816	0.49
			5,387	5,610	1.52	
VIRGIN ISLANDS	Mail.Ru Group	198	USD	3,882	3,912	1.06
	Xinyi Energy Holdings	1,329	HKD	261	289	0.08
			4,143	4,201	1.14	
<b>Transferable securities admitted to an official stock exchange listing</b>				<b>286,318</b>	<b>336,010</b>	<b>91.10</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### B) Other transferable securities

Description		Quantity	Currency	Acquisition cost	Fair value	Net assets
		'000		£'000	£'000	%
SOUTH KOREA	Com2uS	45	KRW	3,580	3,102	0.84
				3,580	3,102	0.84
UNITED ARAB EMIRATES	Emaar Malls PJSC	13,345	AED	4,608	5,815	1.58
	Emaar Properties PJSC	6,054	AED	5,833	5,744	1.56
				10,441	11,559	3.14
<b>Other transferable securities</b>				<b>14,021</b>	<b>14,661</b>	<b>3.98</b>
<b>Investment in Transferable securities</b>				<b>300,339</b>	<b>350,671</b>	<b>95.08</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### C) OTC financial derivative instruments: open foreign currency contracts

Maturity	Counterparty	Currency	Purchased	Currency	Sold	Fair value	Net assets
			'000		'000	£'000	%
01.07.19	RBC Investor Services Luxembourg	USD	5	GBP	(4)	-	-
01.07.19	RBC Investor Services Luxembourg	GBP	13	USD	(17)	-	-
02.07.19	RBC Investor Services Luxembourg	USD	73	HKD	(569)	-	-
02.07.19	RBC Investor Services Luxembourg	USD	84	HKD	(658)	-	-
02.07.19	RBC Investor Services Luxembourg	USD	-	EUR	-	-	-
02.07.19	RBC Investor Services Luxembourg	GBP	89	USD	(113)	-	-
<b>Total as at 30 June 2019</b>						-	-



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
South Korea	17.46	19.91
India	16.36	16.72
Cayman Islands	12.19	12.27
Hong Kong	10.06	10.90
South Africa	6.25	5.67
Mexico	6.16	4.73
Taiwan	6.11	10.01
China	4.54	3.19
Russia	3.45	2.76
United Arab Emirates	3.14	-
Canada	2.60	-
Czech	1.55	1.07
Turkey	1.52	-
Virgin Islands	1.14	1.56
Brazil	1.13	4.50
Cyprus	1.01	1.14
Jersey	0.41	2.63
Total investments at fair value through profit or loss	95.08	97.06
Other net assets	4.92	2.94
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>

% PEA eligible holding for 30 June 2019 was 2.56% (2018: 2.21%).

("PEA" stands for Plan d'Épargne en Actions and is applicable to French investors).



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018
	%	%
Real estate companies	13.35	8.76
Banks and financial institutions	11.18	13.43
Electronic semiconductor	9.60	9.53
Petrol	7.96	8.19
Graphic art and publishing	7.72	6.97
News transmission	7.64	7.70
Electronics and electrical equipment	4.14	4.33
Holding and finance companies	3.57	6.93
Retail	3.42	3.34
Internet software	3.10	3.54
Automobile industry	3.07	3.78
Construction and building material	2.83	-
Public services	2.73	2.66
Precious metals	2.60	2.63
Transportation	2.42	2.44
Tires and rubber	1.99	2.70
Mortgage and funding institutions	1.79	-
Pharmaceuticals and cosmetics	1.75	1.99
Chemicals	1.23	1.02
Food and distilleries	1.03	1.05
Tobacco and spirits	0.91	1.06
Environmental services and recycling	0.44	0.57
Mines and heavy machinery	0.41	2.12
Other services	0.20	2.32
Total investments at fair value through profit or loss	95.08	97.06
Other net assets	4.92	2.94
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£
<b>PURCHASES</b>		
Larsen & Toubro	589	10,082
Indiabulls Housing Finance	951	6,954
HDFC Bank	82	6,507
Emaar Properties PJSC	6,054	5,833
Zhejiang Expressway	6,849	5,199
Emaar Malls PJSC	13,345	4,608
Grupo Financiero Banorte	979	4,224
Samsung Electronics	127	3,893
Wal-Mart de Mexico	1,784	3,742
SK Telecom	18	3,029
Naspers	13	2,438
Komercni banka	75	2,227
BİM Birlesik Magazalar	174	1,858
Coca-Cola Icecek	472	1,800
China Petroleum & Chemical	3,144	1,769
Turkcell Iletisim Hizmetleri	1,054	1,729
CNOOC	887	1,266
Reliance Industries	80	1,242
ENN Energy Holdings	160	1,183
Centamin	1,337	1,173
Cheil Worldwide	69	1,167
Mahindra & Mahindra	146	1,089
China Mobile	143	1,087
Container Corp Of India	308	1,083
Sberbank of Russia	94	1,062
ICICI Bank	116	1,006
Longfor Group Holdings	359	973

Security name	Quantity	Proceeds
	'000	£
<b>SALES*</b>		
ICICI Bank	1,218	11,223
Axis Bank	853	6,460
Vale	605	5,977
S-1	85	5,812
Banco Bradesco	492	4,535
Info Edge India	169	3,566
Tingyi Cayman Islands Holding	2,931	3,297
Shin Kong Financial Holding	13,760	2,995
Mega Financial Holding	4,189	2,730
Lenta	802	2,198
MediaTek	352	2,053
Samsung Electronics	2	1,534
Grupo Financiero Banorte	345	1,499
Fubon Financial Holding	680	738
Cathay Financial Holding	680	703
China Overseas Property Holdings	1,425	611

\* Represents total sales during the year.

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.

The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.





# JOHCM Asia ex-Japan Fund

A sub-fund of J O Hambro Capital Management  
Umbrella Fund plc



**Samir Mehta, CFA**  
**Senior Fund Manager**

Samir joined JOHCM in May 2011 and has 28 years industry experience

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## INVESTMENT MANAGEMENT REPORT

for the year ended to 30 June 2019

### Performance

The JOHCM Asia ex Japan Fund returned 11.70%, net of fees and in sterling terms for the 'A' share class, for the six-month period to 30 June 2019. Over the same period, the MSCI AC Asia ex Japan Index (12pm adjusted) returned 11.30%.

### Investment background

Asia ex Japan equities advanced over the period, starting the year strongly as optimism surrounding the US-China trade talks buoyed equity prices. The US Federal Reserve signalled that interest rate hikes for the remainder of this year would be on the backburner amid concerns about the impact of faltering growth in Europe and China, and global trade conflicts on the US economy. This brought relief and cheer to Asian markets, as it paved the way for an easing of monetary policies by their respective central banks. The stabilisation and tentative signs of recovery in China's economic data releases, coupled with the government's fresh stimulus measures, were also encouraging. The stronger than expected economic recovery in China soon manifested in the pick-up in construction activity, exports and industrial production and a healthy Q1 2019 GDP growth of 6.4%.

But the optimism was somewhat short-lived as a re-emergence of trade tensions in May, soured sentiment. The unexpected breakdown of trade negotiations between the US and China led to tariffs being raised by both sides and markets fell sharply. Nevertheless, the G20 Leaders' Summit at the end of the period concluded with a temporary truce between the US and China, with the US holding off on imposing tariffs on another US\$300 billion of Chinese imports and relenting on selected export controls against Huawei to

allow for trade talks to resume. While little was achieved, markets cheered the fact that further escalation of trade tensions was avoided.

### Fund review

The portfolio outperformed over the period as solid stock selection offset modestly negative sector allocation effects. Our zero-weighting in real estate and overweight in consumer staples weighed on relative returns but the portfolio benefited from its significant overweight in consumer discretionary stocks. Stock selection was strong in both consumer sectors.

Despite the trade concerns, the portfolio's top performer over the period was Chinese sporting goods company Li Ning. Starting with a focus on tighter working capital and optimising costs, the company has followed a textbook example of reinvestment in the brand to drive sales and lift margins. In June, it updated the market that H1 2019 sales will be up around 30% year-on-year, while operating profits from ongoing operations will be double that of H1 2018.

Another top performer was condiment maker Foshan Haitian. The company enjoys high margins in an oligopolistic and growing market where it is gaining market share from competitors and achieving high returns on capital employed. We added to two Chinese 'A' share holdings over the period that share similar characteristics: Wuliangye Yibin (a Baiju or Chinese wine brand) and Shenzhen Mindray Bio-Medical Electronics (a research-driven manufacturer of medical equipment).

On the negative side, we saw weakness in Chinese media giant Weibo, and biopharmaceutical company Biocon in India. We have

a large exposure in India, and it was pleasing to see Prime Minister Modi lead the BJP to a thumping majority in the recent national elections. This paves the way for continuity for another five years, yet the immediate challenges for the economy remain daunting. It seems that Mr Modi's initial focus will be on the provision of running water and cheap medical insurance and healthcare to the millions who do not yet have access. The intention is noble and, as a matter of national policy, it is a priority. How the government will fund these schemes is as yet undecided. Raising taxes is unlikely to be the answer when the economy is already adjusting to the nationwide goods and services tax (GST) rollout. Privatisation of state-owned enterprises (SOEs) might be part of the answer, but it is likely the government will have to raise more debt. If the US Federal Reserve retains its benign outlook on interest rates, India might not feel the ill effects of a rising fiscal deficit, but this will remain a vulnerability.

Despite the macro uncertainty, a majority of our portfolio comprises companies that are, in our opinion, either benefiting from disruption or aiding the disruption in their respective industries. We have tightened the monitoring process for each and remain cognisant that changes in today's economic environment happen much faster than ever at a time when fickle stock markets can turn on a Trump tweet.

### Samir Mehta Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
			£'000	£'000	%
CAYMAN ISLANDS					
CK Hutchison Holdings	391	HKD	3,323	3,041	2.40
ENN Energy Holdings	375	HKD	2,713	2,876	2.27
Li Ning	4,249	HKD	3,252	7,902	6.25
Sands China	1,159	HKD	2,876	4,371	3.46
Tencent Holdings	180	HKD	2,896	6,390	5.05
Weibo	55	USD	1,622	1,906	1.51
			16,682	26,486	20.94
CHINA					
China Merchants Bank	639	HKD	1,614	2,512	1.99
Foshan Haitian Flavouring & Food	386	CNY	3,855	4,651	3.68
Ping An Insurance Group Co of China	357	HKD	2,533	3,380	2.67
Shenzhen Mindray Bio-Medical Electronics	70	CNY	1,245	1,310	1.03
Wuliangye Yibin Co	171	CNY	2,123	2,311	1.83
			11,370	14,164	11.20
GREAT BRITAIN					
HSBC Holdings	288	HKD	2,113	1,883	1.49
			2,113	1,883	1.49
HONG KONG					
China Mobile	373	HKD	2,711	2,676	2.11
CLP Holdings	460	HKD	4,064	3,999	3.16
Guangdong Investment	4	HKD	6	6	-
			6,781	6,681	5.27
INDIA					
Asian Paints	227	INR	2,653	3,515	2.78
Bata India	253	INR	2,499	4,164	3.29
Biocon	210	INR	698	601	0.47
Dabur India	753	INR	3,546	3,445	2.72
ITC	1,222	INR	3,769	3,819	3.02
Kotak Mahindra Bank	18	INR	304	304	0.24
Nestle India	36	INR	3,675	4,878	3.86
Ramco Systems	400	INR	1,280	964	0.76
Reliance Industries	262	INR	2,861	3,753	2.97
Tata Consultancy Services	183	INR	3,478	4,664	3.69
			24,763	30,107	23.80
INDONESIA					
AKR Corporindo	13,112	IDR	3,926	2,993	2.37
Bank Central Asia Tbk PT	1,292	IDR	1,930	2,161	1.71
Gudang Garam	758	IDR	2,673	3,251	2.57
			8,529	8,405	6.65



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description		Quantity	Currency	Acquisition cost	Fair value	Net assets
		'000		£'000	£'000	%
ITALY	PRADA	1,475	HKD	4,807	3,597	2.84
				4,807	3,597	2.84
PHILIPPINES	Jollibee Foods	971	PHP	3,848	4,205	3.32
				3,848	4,205	3.32
SINGAPORE	Jardine Cycle & Carriage	191	SGD	3,957	4,024	3.18
				3,957	4,024	3.18
SOUTH KOREA	KB Financial Group	1	KRW	27	22	0.02
	LG Household & Health Care	5	KRW	3,599	4,147	3.28
	Samsung Electronics	60	KRW	1,765	1,919	1.52
				5,391	6,088	4.82
TAIWAN	Elite Material	845	TWD	2,698	2,014	1.59
	Makalot Industrial	523	TWD	2,268	2,794	2.21
	Nien Made Enterprise	309	TWD	1,683	1,836	1.45
	Taiwan Semiconductor Manufacturing	911	TWD	4,065	5,539	4.38
			10,714	12,183	9.63	
THAILAND	CP ALL	1,877	THB	3,614	4,149	3.28
	Thai Beverage	8,350	SGD	3,399	4,039	3.19
			7,013	8,188	6.47	
<b>Transferable securities admitted to an official stock exchange listing</b>				<b>105,968</b>	<b>126,011</b>	<b>99.61</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### B) OTC financial derivative instruments: open foreign currency contracts

Maturity	Counterparty	Currency	Purchased	Currency	Sold	Fair value	Net assets
			'000		'000	£'000	%
01.07.2019	RBC Investor Services Luxembourg	GBP	68	USD	(87)	-	-
02.07.2019	RBC Investor Services Luxembourg	GBP	58	USD	(73)	-	-
<b>Total as at 30 June 2019</b>						-	-



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
India	23.80	27.04
Cayman Islands	20.94	19.03
China	11.20	3.44
Taiwan	9.63	10.69
Indonesia	6.65	6.76
Thailand	6.47	5.15
Hong Kong	5.27	6.13
South Korea	4.82	8.03
Philippines	3.32	3.67
Singapore	3.18	3.30
Italy	2.84	3.53
Great Britain	1.49	1.48
Malaysia	-	1.87
Total investments at fair value through profit or loss	99.61	100.12
Other net assets/(liabilities)	0.39	(0.12)
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>

% PEA eligible holding as at 30 June 2019 was 4.33% (2018: 5.01%).  
("PEA" stands for Plan d'Épargne en Actions and is applicable to French investors).



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018
	%	%
Tobacco and spirits	10.61	10.03
Retail	9.53	5.88
Banks and financial institutions	9.11	4.46
Textile	8.34	9.01
Chemicals	8.12	8.68
Pharmaceuticals and cosmetics	7.50	6.13
Leisure	6.78	9.11
Internet software	5.96	7.28
Electronic semiconductor	5.90	5.96
Public services	5.43	5.83
Graphic art and publishing	5.05	5.00
Food and distilleries	3.86	4.16
Automobile industry	3.18	1.00
Insurance	2.67	1.78
Holding and finance companies	2.42	7.81
News transmission	2.11	2.09
Electronics and electrical equipment	1.59	1.20
Business houses	1.45	1.58
Mines and heavy industries	-	3.13
Total investments at fair value through profit or loss	99.61	100.12
Other net assets/(liabilities)	0.39	(0.12)
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£
<b>PURCHASES*</b>		
Dabur India	996	4,693
Foshan Haitian Flavouring & Food	410	4,094
Jardine Cycle & Carriage	179	3,735
Bank Central Asia Tbk PT	1,612	2,408
Wuliangye Yibin Co	171	2,123
Samsung Electronics	60	1,765
Shenzhen Mindray Bio-Medical Electronics	70	1,245
CLP Holdings	131	1,180
China Mobile	42	337
Kotak Mahindra Bank	18	304
CK Hutchison Holdings	38	297
Foshan Haitian Flavouring & Food	38	290
Ping An Insurance Group Co of China	35	281
China Merchants Bank	78	267
AKR Corporindo	465	139
Sands China	29	105

Security name	Quantity	Cost
	'000	£
<b>PURCHASES*</b>		
HSBC Holdings	7	45
CP ALL	19	35
Bata India	2	19

\* Represents total purchases during the year.

The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019 (continued)

Security name	Quantity	Proceeds
	'000	£

### SALES

Foshan Haitian Flavouring & Food	540	5,156
Taiwan Semiconductor Manufacturing	613	3,582
Genting Malaysia	5,601	3,291
Tencent Holdings	93	3,275
Gudang Garam	718	3,253
Biocon	636	3,148
Li Ning	2,571	2,960
Makalot Industrial	560	2,756
LG Household & Health Care	3	2,702
Nestle India	21	2,572
KB Financial Group	82	2,465
Sands China	648	2,435
Hana Financial Group	96	2,405
GAIL India	669	2,390
POSCO	15	2,389
Hang Seng Bank	129	2,230
ITC	660	2,197
Tata Consultancy Services	95	2,159
Vedanta	1,209	2,154
Jollibee Foods	470	2,059
PRADA	862	2,057
Thai Beverage	4,400	1,937
Reliance Industries	129	1,866
AKR Corporindo	8,078	1,842
Bata India	114	1,751

Security name	Quantity	Proceeds
	'000	£

### SALES

Asian Paints	103	1,595
China Merchants Bank	428	1,427
CP ALL	743	1,382
Jardine Cycle & Carriage	72	1,366
Weibo	29	1,292
AAC Technologies Holdings	306	1,262
Ramco Systems	456	1,124
China Mobile	144	1,047
Dabur India	243	1,047
Ping An Insurance Group Co of China	119	1,031
ENN Energy Holdings	125	876
Nien Made Enterprise	138	864
CLP Holdings	100	864

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.





# JOHCM Asia ex-Japan Small and Mid-Cap Fund

A sub-fund of J O Hambro Capital Management  
Umbrella Fund plc



**Cho-Yu Kooi, CFA**  
**Senior Fund Manager**

Cho-Yu joined JOHCM in May 2011 and has 25 years industry experience

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## INVESTMENT MANAGEMENT REPORT

for the period ended 30 June 2019

### Performance

The JOHCM Asia ex Japan Small and Mid Cap Fund returned 19.45%, net of fees and in sterling terms for the 'A' share class, for the six-month period to 30 June 2019. Over the same period, the MSCI AC Asia ex Japan Small Cap Index (12pm adjusted) returned 5.87%.

### Investment background

Asia ex Japan equities advanced over the period, starting the year strongly as optimism surrounding the US-China trade talks buoyed equity prices. The US Federal Reserve signalled that interest rate hikes for the remainder of this year would be on the backburner amid concerns about the impact of faltering growth in Europe and China, and global trade conflicts on the US economy. This brought relief and cheer to Asian markets, as it paved the way for an easing of monetary policies by their respective central banks. The stabilisation and tentative signs of recovery in China's economic data releases, coupled with the government's fresh stimulus measures, were also encouraging. The stronger than expected economic recovery in China soon manifested in the pick-up in construction activity, exports and industrial production and a healthy Q1 2019 GDP growth of 6.4%.

But the optimism was somewhat short-lived as a re-emergence of trade tensions in May soured sentiment. The unexpected breakdown of trade negotiations between the US and China led to tariffs being raised by both sides and markets fell sharply. Nevertheless, the G20 Leaders' Summit at the end of the period concluded with a temporary truce between the US and China, with the US holding off on imposing tariffs on another US\$300 billion of Chinese imports and relenting on selected export controls against Huawei to

allow for trade talks to resume. While little was achieved, markets cheered the fact that further escalation of trade tensions was avoided.

### Fund review

The Fund significantly outperformed its benchmark over the period, with stock selection in the consumer sectors, healthcare and financials adding substantial value. Sector allocation effects were negative as our underweight in real estate and technology provided a drag on relative returns although this was more than offset by stock selection effects.

Chinese sporting goods company Li Ning was the portfolio's stand out performer over the period, despite continuing trade war concerns. Starting with a focus on tighter working capital and optimising costs, the company has followed a textbook example of reinvestment in the brand to drive sales and lift margins. In June, it updated the market that H1 2019 sales will be up around 30% year-on-year, while operating profits from ongoing operations will be double that of H1 2018.

Elsewhere, we also saw strength in Indonesian Bank BTPN and leading Chinese ecommerce service provider, Baozun. The only noteworthy laggards were motion picture and video production company MM2 Asia and Cosmo Lady.

Over the period, we added to our holdings in the Philippines, specifically in the consumer sector, as weak corporate earnings due to heightened inflationary pressures and poor consumer sentiment led to a sharp sell-off in several small and mid-cap names. We view this as a short-term hiccup to profitability and a great buying opportunity. Shakey's Pizza is a new addition along this theme. Other portfolio additions included Ausnutria

Dairy, a Chinese dairy company focused on the mid-end and premium segment of the infant milk formula (IMF) market. The firm has built up an extensive sales distribution network in China through baby specialty stores, where the bulk of sales take place, supermarkets and department stores and through e-commerce channels such as Tmall and JD.com.

We also initiated a position in TCI Co. in Taiwan. It was founded in 1980 as a commodity trading company but transformed its business into health food and skin care products contract manufacturing in 2000 to take advantage of the rising demand in Taiwan. We are optimistic about TCI's secular growth prospects. Its high return on capital employed profile and strong free cash flow generation are attractive attributes.

Finally, we added Jonjee Hi-Tech, a premium soy sauce manufacturer from Guangdong province with an estimated 4% market share in China. We like the resilient demand growth and strong pricing power (Jonjee usually raises its prices every 2-3 years) of the condiments industry. As the cost of condiments is a tiny fraction of the total cost of a dish yet they are crucial to the taste, customers increasingly prefer premium products and quality brands. This benefits Jonjee as the second largest soy sauce company with a premium product range.

### Cho-Yu Kooi Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

	Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
				'000	£'000	£'000
BERMUDA	SmarTone Telecommunications Holdings	290	HKD	275	217	1.38
					275	217
CAYMAN ISLANDS	Ausnutria Dairy	295	HKD	239	463	2.94
	Baozun	14	USD	241	550	3.49
	China Education Group Holdings	515	HKD	675	634	4.03
	Convenience Retail Asia	1,446	HKD	574	549	3.49
	Cosmo Lady China Holdings	722	HKD	215	130	0.83
	Golden Eagle Retail Group	194	HKD	174	179	1.14
	Goodbaby International Holdings	783	HKD	296	140	0.89
	Gourmet Master	51	TWD	360	225	1.43
	Li Ning	420	HKD	295	781	4.96
	Lifestyle International Holdings	265	HKD	290	305	1.94
	Pacific Textiles Holdings	291	HKD	204	182	1.16
	Union Medical Healthcare	1,108	HKD	370	655	4.16
	Xiabuxiabu Catering Management China Holdings	335	HKD	452	384	2.44
				4,385	5,177	32.90
INDONESIA	Arwana Citramulia	21,587	IDR	677	602	3.82
	Bank Tabungan Pensiunan Nasional Syariah	3,014	IDR	265	580	3.68
	BFI Finance Indonesia	9,807	IDR	388	328	2.08
	Mayora Indah Tbk PT	1,122	IDR	157	155	0.98
	Medikaloka Hermina	1,710	IDR	326	315	2.00
	Mitra Adiperkasa	6,325	IDR	291	318	2.02
	Sumber Alfaria Trijaya	11,171	IDR	374	570	3.62
	XL Axiata	2,583	IDR	468	430	2.73
				2,946	3,298	20.93
MALAYSIA	British American Tobacco Malaysia	41	MYR	345	225	1.43
	Mynews Holdings	1,518	MYR	415	391	2.48
				760	616	3.91
PHILIPPINES	Bloomberry Resorts	2,063	PHP	297	358	2.27
	D&L Industries	1,172	PHP	203	188	1.19
	Max's Group	1,025	PHP	183	217	1.38
	Philippine Seven	218	PHP	384	455	2.89
	Shakey's Pizza Asia Ventures	1,089	PHP	191	233	1.48
				1,258	1,451	9.21



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description		Quantity	Currency	Acquisition cost	Fair value	Net assets
		'000		£'000	£'000	%
SINGAPORE	Health Management International	1,436	SGD	492	548	3.48
	mm2 Asia	1,255	SGD	406	168	1.07
	Sembcorp Marine	181	SGD	175	160	1.01
	Singapore O&G	2,102	SGD	626	466	2.96
	Synagie Corp	1,442	SGD	221	147	0.93
				1,920	1,489	9.45
TAIWAN	Basso Industry	193	TWD	422	286	1.82
					422	286
THAILAND	Rajthanee Hospital	69	THB	39	46	0.29
	Sabina	283	THB	187	198	1.26
					226	244
<b>Transferable securities admitted to an official stock exchange listing</b>				<b>12,192</b>	<b>12,778</b>	<b>81.15</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### B) Other transferable securities

Description		Quantity	Currency	Acquisition cost	Fair value	Net assets
		'000		£'000	£'000	%
TAIWAN	KMC Kuei Meng International	64	TWD	212	170	1.08
	Poya International	50	TWD	454	533	3.39
	Taiwan FamilyMart	79	TWD	350	454	2.88
	TCI	24	TWD	278	261	1.66
				1,294	1,418	9.01
<b>Other transferable securities</b>				<b>1,294</b>	<b>1,418</b>	<b>9.01</b>

### C) Other transferable securities - Warrants

Description		Quantity	Currency	Acquisition cost	Fair value	Net assets
		'000		£'000	£'000	%
CHINA	Chongqing Brewery	53	USD	207	287	1.82
	Jiangsu Hengshun Vinegar Industry	188	USD	255	396	2.52
	Jonjee Hi-Tech Industrial And Commercial Holding	57	USD	236	282	1.79
				698	965	6.13
SINGAPORE	Chongqing Fuling Zhacai Group	64	USD	227	225	1.43
	Ezion Holdings	2,153	SGD	-	-	-
				227	225	1.43
<b>Other transferable securities - warrants</b>				<b>925</b>	<b>1,190</b>	<b>7.56</b>

### D) Other transferable securities - Bonds

Description		Quantity	Currency	Acquisition cost	Fair value	Net assets
		'000		£'000	£'000	%
SINGAPORE	Shanxi Xinghuacun Fen Wine Factory	40	USD	160	316	2.01
				160	316	2.01
<b>Other transferable securities - Bonds</b>				<b>160</b>	<b>316</b>	<b>2.01</b>
<b>Investment in Transferable securities</b>				<b>14,571</b>	<b>15,702</b>	<b>99.73</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### E) OTC financial derivative instruments: open foreign currency contracts

Maturity	Counterparty	Currency	Purchased	Currency	Sold	Fair value	Net assets
			'000		'000	£'000	%
01.07.2019	RBC Investor Services Luxembourg	USD	-	GBP	-	-	-
01.07.2019	RBC Investor Services Luxembourg	EUR	1	USD	(1)	-	-
02.07.2019	RBC Investor Services Luxembourg	GBP	1	USD	(1)	-	-
<b>Total as at 30 June 2019</b>						-	-



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
Cayman Islands	32.90	38.10
Indonesia	20.93	18.85
Singapore	12.89	11.15
Taiwan	10.83	10.16
Philippines	9.21	3.79
China	6.13	-
Malaysia	3.91	4.64
Thailand	1.55	-
Bermuda	1.38	1.78
Hong Kong	-	4.82
South Korea	-	3.34
India	-	1.10
Total investments at fair value through profit or loss	99.73	97.73
Other net assets	0.27	2.27
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>

% PEA eligible holding as at 30 June 2019 was Nil% (2018: Nil%)

("PEA" stands for Plan d'Épargne en Actions and is applicable to French investors).



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018
	%	%
Retail	23.64	21.78
Food and distilleries	12.73	1.91
Healthcare education and social services	9.28	9.93
Business houses	9.26	11.46
Pharmaceuticals and cosmetics	7.64	9.22
Holding and finance companies	5.88	2.52
News transmission	5.18	5.48
Leisure	3.92	3.24
Banks and financial institutions	3.68	4.02
Internet software	3.49	3.83
Electronics and electrical equipment	3.35	4.65
Textile	3.25	2.55
Graphic art and publishing	2.48	2.44
Tobacco and spirits	1.43	2.20
Miscellaneous	1.43	-
Chemicals	1.19	1.81
Mechanics and machinery	1.01	1.99
Consumer goods	0.89	1.37
Electronic semiconductor	-	2.98
Real estate companies	-	2.20
Photography and optics	-	2.15
Total investments at fair value through profit or loss	99.73	97.73
Other net assets	0.27	2.27
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£
<b>PURCHASES*</b>		
TCI	24	278
Jiangsu Hengshun Vinegar Industry	188	255
Ausnutria Dairy	295	243
Jonjee Hi-Tech Industrial And Commercial Holding	57	236
Chongqing Fuling Zhacai Group	64	227
Chongqing Brewery	53	207
D&L Industries	1,172	203
Shakey's Pizza Asia Ventures	1,089	191
Sabina	283	187
MK Restaurants Group	100	187
Max's Group	1,025	183
Philippine Seven	93	178
Mayora Indah Tbk PT	1,122	157
Mynews Holdings	306	78
China Education Group Holdings	61	66
Pacific Textiles Holdings	60	41
Rajthanee Hospital	69	39
Shanxi Xinghuacun Fen Wine Factory	5	21
Li Ning	13	17

\* Represents total purchases during the year.

The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.

Security name	Quantity	Cost
	'000	£
<b>SALES</b>		
Hua Hong Semiconductor	290	447
Greentown Service Group	516	361
Sunny Optical Technology	44	330
Dah Sing Banking Group	188	272
China Yuhua Education	768	237
Lock&Lock	18	231
Korea Kolmar	4	201
Chinasoft International	478	182
MK Restaurants Group	100	177
Xin Point Holdings	454	142
Emami	33	140
Sembcorp Marine	136	119
Golden Eagle Retail Group	111	101
Arwana Citramulia	3,605	93
Union Medical Healthcare	164	85
Taiwan FamilyMart	15	84
KMC Kuei Meng International	28	77
Lifestyle International Holdings	54	71
Singapore O&G	297	60
Sumber Alfaria Trijaya	1,128	57
Xiabuxiabu Catering Management		
China Holdings	36	48
Basso Industry	30	45

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.





# JOHCM Global Opportunities Fund

A sub-fund of J O Hambro Capital Management Umbrella Fund plc



**Ben Leyland, CFA**  
**Senior Fund Manager**

Ben joined JOHCM in April 2006 and has 17 years industry experience

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## INVESTMENT MANAGEMENT REPORT

for the year ended to 30 June 2019

### Performance

The JOHCM Global Opportunities Fund returned 13.06%, net of fees and in sterling terms for the 'A' share class, for the six-month period to 30 June 2019. Over the same period, the MSCI AC World Index (12pm adjusted) returned 17.04%.

### Investment background

Global equities rallied from their Q4 2018 lows over the period, although markets globally experienced a sharp fall in May after a re-escalation in trade tensions hurt sentiment. Trade talks between the US and China unexpectedly broke down and both sides implemented new tariffs, while the US Commerce department placed Chinese telecoms giant Huawei on its trade blacklist. Investor sentiment did improve towards the end of the period amid an easing of the trade tensions and following indications of further stimulative policies by central banks.

### Fund review

Given the strength of markets, our large cash position weighed on relative returns and accounted for much of the portfolio's underperformance. We also saw a modest negative from select technology positions, namely Cognizant.

In terms of portfolio activity, we sold both Akzo Nobel and Kao on valuation grounds, and exited a position in National Grid as a result of the nationalisation risk. We started two new positions. The first was Henkel, which is a combination of a world-class adhesives business and regionally strong beauty and laundry brands. We bought preference shares,

which are much more liquid than the (family-owned) ordinary shares but carry no voting rights and are a little more expensive due to paying a higher dividend.

The other new position is Wartsila. We owned the stock previously and sold it on valuation grounds. Now it has come back in line, we have re-established a position. It manufactures engines for marine and power industries, but the main attraction for us is the engine service business, which provides a stable base of cash flows through the cycle.

We are positioned relatively cautiously because we perceive many risks to equity investors, principally high valuations across the board and high levels of corporate leverage, the latter particularly but not exclusively in the US. With the US 10-year government bond yielding less than 2% again and corporate bond spreads equally compressed, equities look like the "cleanest dirty shirt". However, we are not optimistic about the prospects for future medium-term returns in absolute terms, and we continue to expect volatility to be significantly higher in the next few years than it was in the 2012-17 period.

It is hard to identify the riskiest area of the equity market, hence we are broadly spread across both cyclical and defensive sectors, and our cash balance is close to our limit of 20%. In general, companies with predictable cashflows and strong balance sheets are extremely expensive – for example software and cosmetics companies – but despite the noise

about trade wars and the signals from the bond market, cyclicals are a long way from pricing in a recession. M&A and financial engineering continues to impair balance sheets, and we think investors need to be particularly wary of optically cheap stocks that face structural or technological challenges.

### Ben Leyland

#### Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets	
			'000	£'000	£'000	%
FINLAND	Nokian Renkaat	437	EUR	11,151	10,775	2.65
	Wartsila - Class B	861	EUR	10,221	9,858	2.43
				21,372	20,633	5.08
FRANCE	Safran	107	EUR	8,022	12,311	3.03
	Sanofi	178	EUR	11,680	12,082	2.98
				19,702	24,393	6.01
GERMANY	CECONOMY	47	EUR	410	227	0.06
	Henkel	142	EUR	10,796	10,924	2.69
				11,206	11,151	2.75
GREAT BRITAIN	Compass Group	703	GBP	11,063	13,275	3.27
	Rio Tinto	176	GBP	6,081	8,514	2.10
	Royal Dutch Shell - Class B	353	GBP	8,366	9,142	2.25
	Sage Group	940	GBP	5,828	7,560	1.86
				31,338	38,491	9.48
HONG KONG	China Mobile	1,011	HKD	7,719	7,266	1.79
				7,719	7,266	1.79
ITALY	Enel	3,681	EUR	16,025	20,315	5.00
				16,025	20,315	5.00
JAPAN	Ain Holdings	138	JPY	7,035	6,335	1.56
	Mitsubishi Electric	680	JPY	7,448	7,063	1.74
	Nippon Telegraph & Telephone	299	JPY	10,076	10,995	2.71
	Sugi Holdings	284	JPY	10,305	10,597	2.61
				34,864	34,990	8.62
JERSEY	Ferguson	258	GBP	12,723	14,474	3.56
				12,723	14,474	3.56
NETHERLANDS	Unilever	170	EUR	6,963	8,126	2.00
	Wolters Kluwer	102	EUR	3,297	5,838	1.44
				10,260	13,964	3.44
PORTUGAL	Galp Energia	1,037	EUR	11,796	12,433	3.06
				11,796	12,433	3.06
SWITZERLAND	Roche Holding	37	CHF	6,866	8,048	1.98
				6,866	8,048	1.98



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
	'000		£'000	£'000	%
UNITED STATES Cognizant Technology Solutions	202	USD	10,242	10,062	2.48
Dollar General	74	USD	4,994	8,004	1.97
Fastenal	235	USD	4,920	5,965	1.47
Oracle	375	USD	12,881	16,799	4.14
O'Reilly Automotive	21	USD	4,472	6,027	1.48
PepsiCo	57	USD	5,045	5,961	1.46
Philip Morris International	279	USD	17,356	17,155	4.23
Public Service Enterprise Group	247	USD	9,215	11,442	2.82
Raytheon	106	USD	14,138	14,949	3.68
TD Ameritrade Holding	234	USD	7,561	9,159	2.26
TJX Cos	244	USD	7,904	10,178	2.51
United Technologies		USD	5,159	6,462	1.59
			103,887	122,163	30.09
<b>Transferable securities admitted to an official stock exchange listing - equities</b>			<b>287,758</b>	<b>328,321</b>	<b>80.86</b>
IRELAND Goldman Sachs					
- US\$ Treasury Liquid Reserves Fund	15,907	USD	12,298	12,542	3.09
Institutional Cash Series					
- US Treasury Fund	15,907	USD	12,295	12,542	3.09
			24,593	25,084	6.18
LUXEMBOURG JPMorgan Liquidity Funds					
- US Dollar Treasury Liquidity Fund	15,907	USD	12,293	12,542	3.09
			12,293	12,542	3.09
<b>Transferable securities admitted to an official stock exchange listing - investment fund</b>			<b>36,886</b>	<b>37,626</b>	<b>9.27</b>
<b>Transferable securities admitted to an official stock exchange listing</b>			<b>324,644</b>	<b>365,947</b>	<b>90.13</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### B) OTC financial derivative instruments: open foreign currency contracts

Maturity	Counterparty	Currency	Purchased	Currency	Sold	Fair value	Net assets
			'000		'000	£'000	%
01.07.19	RBC Investor Services Luxembourg	EUR	10	USD	(11)	-	-
01.07.19	RBC Investor Services Luxembourg	GBP	-	USD	-	-	-
01.07.19	RBC Investor Services Luxembourg	USD	23	GBP	(18)	-	-
01.07.19	RBC Investor Services Luxembourg	USD	220	GBP	(174)	-	-
01.07.19	RBC Investor Services Luxembourg	GBP	23	USD	(29)	-	-
02.07.19	RBC Investor Services Luxembourg	USD	83	EUR	(73)	-	-
02.07.19	RBC Investor Services Luxembourg	USD	1,130	EUR	(995)	(2)	-
02.07.19	RBC Investor Services Luxembourg	EUR	5	USD	(6)	-	-
02.07.19	RBC Investor Services Luxembourg	USD	68	GBP	(54)	-	-
31.07.19	RBC Investor Services Luxembourg	USD	63	GBP	(50)	-	-
01.07.19	RBC Investor Services Luxembourg	GBP	16,831	USD	(21,376)	1	-
<b>Total as at 30 June 2019</b>						<b>(1)</b>	<b>-</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
United States	30.09	34.10
Great Britain	9.48	12.64
Japan	8.62	8.58
Ireland	6.18	5.94
France	6.01	6.24
Finland	5.08	2.51
Italy	5.00	3.41
Jersey	3.56	2.80
Netherlands	3.44	6.91
Luxembourg	3.09	2.97
Portugal	3.06	2.64
Germany	2.75	0.05
Switzerland	1.98	2.88
Hong Kong	1.79	2.51
Total investments at fair value through profit or loss	90.13	94.18
Open foreign currency contracts	-	0.03
Total investments at fair value through profit or loss	90.13	94.21
Other net assets	9.87	5.79
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>

% PEA eligible holding as at 30 June 2019 was 44.09% (2018: 43.31%).  
("PEA" stands for Plan d'Épargne en Actions and is applicable to French investors).



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018
	%	%
Investment funds	9.27	8.91
Internet software	8.48	10.24
Aerospace technology	8.30	8.10
Public services	7.82	9.11
Pharmaceuticals and cosmetics	6.52	9.30
Holding and finance companies	6.35	10.95
Petrol	5.31	4.19
Consumer goods	4.69	2.19
News transmission	4.50	3.72
Retail	4.48	5.74
Tobacco and spirits	4.23	3.77
Mechanics and machinery	3.90	1.64
Construction and building material	3.56	2.80
Leisure	3.27	-
Tires and rubber	2.65	2.51
Non-ferrous metals	2.10	2.50
Electronics and electrical equipment	1.74	1.75
Food and distilleries	1.52	2.04
Graphic art and publishing	1.44	2.37
Chemicals	-	2.35
<b>Total investments</b>	<b>90.13</b>	<b>94.18</b>
Open foreign currency contracts	-	0.03
<b>Total investments at fair value through profit or loss</b>	<b>90.13</b>	<b>94.21</b>
Other net assets	9.87	5.79
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£

### PURCHASES

Henkel	151	11,479
Wartsila	933	11,059
Institutional Cash Series - US Treasury Fund	12,383	9,609
JPMorgan Liquidity Funds - US Dollar Treasury Liquidity Fund	12,381	9,606
Enel	1,884	9,242
Philip Morris International	133	8,140
Cognizant Technology Solutions	144	7,805
Raytheon	53	7,262
Nippon Telegraph & Telephone	208	6,903
Galp Energia	566	6,876
Goldman Sachs - US\$ Treasury Liquid Reserves Fund	8,601	6,674
Sanofi	82	5,448
Royal Dutch Shell	208	5,150
Nokian Renkaat	191	4,647
Oracle	105	4,445
Sugi Holdings	128	4,369
Ferguson Holdings	76	3,867
Compass Group	212	3,844

Security name	Quantity	Cost
	'000	£

### PURCHASES

Public Service Enterprise Group	75	3,382
China Mobile	450	3,233
Ferguson	58	3,104
Goldman Sachs - USD Treasury Instruments Liquid Reserves Fund	3,854	2,993
TD Ameritrade Holding	65	2,669
Safran	24	2,549
TJX Cos	58	2,331
Ain Holdings	45	2,287
Unilever	49	2,182
Mitsubishi Electric	214	2,119
Rio Tinto	43	1,945
O'Reilly Automotive	7	1,849

The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019 (continued)

Security name	Quantity	Proceeds
	'000	£
<b>SALES</b>		
Akzo Nobel	101	6,906
National Grid	804	6,456
Institutional Cash Series - US Treasury Fund	6,840	5,309
JPMorgan Liquidity Funds - US Dollar Treasury Liquidity Fund	6,838	5,307
Cognizant Technology Solutions	107	5,253
Kao	85	5,098
Sage Group	541	3,892
Goldman Sachs - US\$ Treasury Liquid Reserves Fund	4,024	3,120
Public Service Enterprise Group	63	2,821
China Mobile	347	2,755
Wolters Kluwer	54	2,714
Dollar General	24	2,449
O'Reilly Automotive	8	2,422
Philip Morris International	35	2,292
TJX Cos	55	2,260
Goldman Sachs - USD Treasury Instruments Liquid Reserves Fund	2,888	2,245

Security name	Quantity	Proceeds
	'000	£
<b>SALES</b>		
Oracle	49	2,057
Roche Holding	10	1,951
Rio Tinto	43	1,920
PepsiCo	20	1,831
Compass Group	100	1,731
TD Ameritrade Holding	37	1,524
Safran	13	1,381
Raytheon	9	1,231
Galp Energia	83	1,043
Sanofi	14	876
Mitsubishi Electric	85	862
Fastenal	18	854

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.





# JOHCM Japan Dividend Growth Fund

A sub-fund of J O Hambro Capital Management  
Umbrella Fund plc



**Scott McGlashan**  
**Senior Fund Manager**

Scott joined JOHCM in April 2004 and has 42 years industry experience.



**Ruth Nash**  
**Senior Fund Manager**

Ruth joined JOHCM in April 2005 and has 33 years industry experience.

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## INVESTMENT MANAGEMENT REPORT

for the year ended to 31 December 2018

### Performance

The JOHCM Japan Dividend Growth Fund returned 6.14%, net of fees and in sterling terms for the institutional share class for the six-month period to 30 June 2019. Over the same period the TOPIX 100 index (12pm adjusted) returned 9.59%.

### Investment background

Japanese equities made good gains over the first half of 2019, albeit were more modest in magnitude than other developed market stocks. At the beginning of the year, although there appeared to be some progress on the US-China trade talks, good news on this front was more than offset by concerns about the global economic outlook, particularly once it became clear that the Federal Reserve had abandoned its policy of raising interest rates. Combined with some poor economic news out of the US and Europe and the inversion of the US yield curve (often a sign of recession), this was enough to send investors in Japanese equities scurrying back to overvalued growth stocks.

The slowdown in global growth clearly had an impact on business confidence with the Ministry of Finance's business survey exhibiting its biggest drop in over two years in March. In addition, although the Bank of Japan left monetary policy unchanged, it did downgrade its economic outlook. On the other hand, the fourth quarter GDP number was revised up, the

labour market hit a 30-year high and residential prices in the regions rose for the first time in 27 years.

Dividends were up 9% and the pay-out ratio expanded from 29% to 34%. It is encouraging to see corporate Japan continuing to boost dividends despite a decline in earnings momentum.

### Fund review

Investors continued their pursuit of overvalued large-cap growth names during the period and the Fund subsequently underperformed the benchmark as a result.

Relative returns were hampered by not owning Softbank while elsewhere in the transport and communications sector, Japan airlines and Nippon Express were also weak. The latter suffered despite generating record operating profit margins during the period.

Our manufacturing names were strong with Hitachi and Fuji Film Holdings contributing positively over the period. The former performed well following an article in the Nikkei which suggested that the parent company might be looking to make Hitachi High Technologies a 100% subsidiary. We have long expected further restructuring from Hitachi. Interest in the stock is increasing, but it remains undervalued.

Whilst investors remain focused on the global macro environment, it would be naïve to expect them to suddenly start to focus on the undervaluation of individual names. However, the disconnect between the quality of individual companies and the valuation ascribed to them by the market is increasingly striking.

**Scott McGlashan**  
Senior Fund Manager

**Ruth Nash**  
Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
			'000	£'000	£'000
JAPAN					
Aisin Seiki	33	JPY	967	896	2.97
Asahi Glass	22	JPY	678	600	1.99
Canon	32	JPY	858	737	2.44
Daiwa Securities	160	JPY	769	553	1.83
Fuji Heavy Industries	47	JPY	1,115	901	2.97
Fujifilm Holdings	24	JPY	683	940	3.11
Hankyu Hanshin Holdings	16	JPY	450	452	1.50
Hitachi	40	JPY	752	1,157	3.83
Hulic	80	JPY	516	507	1.68
Japan Airlines	38	JPY	945	958	3.17
Japan Post Holdings	122	JPY	1,038	1,090	3.61
JX Holdings	250	JPY	796	978	3.24
KDDI	35	JPY	622	703	2.33
Komatsu	54	JPY	774	1,028	3.40
Minebea	60	JPY	698	802	2.65
Mitsubishi	29	JPY	581	603	2.00
Mitsubishi Chemical Holdings	169	JPY	976	931	3.08
Mitsubishi Electric	55	JPY	586	571	1.89
Mitsubishi Estate	50	JPY	688	734	2.43
MS&AD Insurance Group Holdings	31	JPY	698	776	2.57
Nippon Express	23	JPY	1,089	965	3.19
ORIX	72	JPY	791	848	2.81
Resona Holdings	235	JPY	871	772	2.56
Sekisui Chemical	60	JPY	684	711	2.35
Sekisui House	75	JPY	765	975	3.23
Seven & i Holdings	11	JPY	321	294	0.97
Shin-Etsu Chemical	9	JPY	617	661	2.19
Sumitomo	70	JPY	848	837	2.77
Sumitomo Electric Industries	55	JPY	585	570	1.89
Sumitomo Mitsui Trust Holdings	20	JPY	539	572	1.89
Taisei	22	JPY	721	616	2.04
TDK	16	JPY	993	977	3.23
Tokio Marine Holdings	25	JPY	688	988	3.26
Toyota Industries	20	JPY	793	868	2.87
Toyota Motor	31	JPY	1,373	1,518	5.02
West Japan Railway	14	JPY	784	893	2.96
Yahoo Japan	370	JPY	782	856	2.83
			28,434	29,838	98.75
<b>Transferable securities admitted to an official stock exchange listing</b>			<b>28,434</b>	<b>29,838</b>	<b>98.75</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### B) OTC financial derivative instruments: open foreign currency contracts

Maturity	Counterparty	Currency	Purchased	Currency	Sold	Fair value	Net assets
			'000		'000	£'000	%
01.07.19	RBC Investor Services Luxembourg	GBP	-	JPY	(2)	-	-
01.07.19	RBC Investor Services Luxembourg	GBP	-	JPY	(14)	-	-
02.07.19	RBC Investor Services Luxembourg	GBP	6	JPY	(771)	-	-
31.07.19	RBC Investor Services Luxembourg	GBP	2,376	JPY	(323,990)	2	0.01
31.07.19	RBC Investor Services Luxembourg	USD	211	JPY	(22,638)	-	-
<b>Total as at 30 June 2019</b>						<b>2</b>	<b>0.01</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
Japan	98.75	99.72
Total investments	98.75	99.72
Open foreign currency contracts	0.01	(0.01)
Total investments at fair value through profit or loss	98.76	99.71
Other net assets	1.24	0.29
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018
	%	%
Holding and finance companies	21.21	23.75
Automobile industry	13.83	11.21
Transportation	12.93	10.08
Construction and building material	9.61	9.45
Electronic semiconductor	9.50	9.78
Mechanics and machinery	6.05	5.50
Business houses	4.77	3.92
Banks and financial institutions	4.64	4.90
Real estate companies	4.11	3.60
Electronics and electrical equipment	3.78	5.42
Internet Software	2.83	-
News transmission	2.33	3.80
Chemicals	2.19	4.27
Retail	0.97	2.44
Graphic art and publishing	-	1.60
<b>Total investments</b>	<b>98.75</b>	<b>99.72</b>
Open foreign currency contracts	0.01	(0.01)
<b>Total investments at fair value through profit or loss</b>	<b>98.76</b>	<b>99.71</b>
Other net assets	1.24	0.29
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£

### PURCHASES

Aisin Seiki	41	1,206
Takeda Pharmaceutical	32	987
Yahoo Japan	420	888
Ryohin Keikaku	5	820
Nippon Express	17	763
TDK	13	720
KDDI	35	622
Hulic	80	516
Hankyu Hanshin Holdings	16	450
Shin-Etsu Chemical	6	396
Fuji Heavy Industries	18	329
Seven & i Holdings	11	321
Mitsubishi Electric	35	314
Resona Holdings	83	272
Sumitomo Mitsui Trust Holdings	10	268
Sumitomo	20	211

Security name	Quantity	Cost
	'000	£

### PURCHASES

Taisei	5	173
West Japan Railway	3	171
Japan Airlines	6	160
Mitsubishi Chemical Holdings	29	156
ORIX	14	154
JX Holdings	35	140
Tokyo Electron	2	138
Mitsubishi	6	127

The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019 (continued)

Security name	Quantity	Proceeds
	'000	£
<b>SALES</b>		
Mitsubishi UFJ Financial Group	700	2,697
KDDI	125	2,223
Denso	55	1,838
Mitsubishi Estate	136	1,801
Resona Holdings	443	1,606
Shin-Etsu Chemical	24	1,602
Seven & i Holdings	44	1,535
Mitsubishi Electric	155	1,529
Fujifilm Holdings	42	1,409
Sumitomo Electric Industries	120	1,273
Hitachi	52	1,254
Canon	55	1,226
Tokyo Electron	11	1,175
ORIX	102	1,143
Minebea	90	1,112
Dai Nippon Printing	60	1,073
Sumitomo Mitsui Trust Holdings	37	1,072
Japan Airlines	37	1,040
Taisei	30	1,037
Nitto Denko	25	1,001
Sekisui Chemical	82	991
Komatsu	51	980
Fuji Heavy Industries	51	946
Nippon Express	20	945
Mitsubishi Chemical Holdings	160	923

Security name	Quantity	Proceeds
	'000	£
<b>SALES</b>		
Takeda Pharmaceutical	32	910
Toyota Industries	22	848
Tokio Marine Holdings	22	844
Asahi Glass	32	844
Japan Post Holdings	88	818
Sumitomo	70	796
MS&AD Insurance Group Holdings	34	789
Toyota Motor	17	787
Omron	25	723
Ryohin Keikaku	5	708
West Japan Railway	12	686
TDK	10	610
Sekisui House	50	588
Mitsubishi	27	577
Daiwa Securities	140	548
JX Holdings	140	527

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.



# JOHCM US Small Mid Cap Equity Fund

A sub-fund of J O Hambro Capital Management Umbrella Fund plc



**Thorsten Becker**  
**Senior Fund Manager**

Thorsten joined JOHCM in June 2014 and has 22 years industry experience



**Arun Daniel**  
**Senior Fund Manager**

Arun joined JOHCM in June 2014 and has 27 years industry experience



**Vincent Rivers**  
**Senior Fund Manager**

Vincent joined JOHCM in June 2014 and has 22 years industry experience

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## INVESTMENT MANAGEMENT REPORT

for the year ended to 31 December 2018

### Performance

The JOHCM US Small Mid Cap Fund returned 19.66% in sterling terms, net of fees for the 'A' share class, for the six-month period ended 30 June 2019. Over the same period the Russell 2500 NR Index (12pm adjusted) returned 19.44%.

### Investment background

US smaller cap equities made significant gains over the period boosted by the Federal Reserve's more dovish stance on monetary policy signalling there would be no further interest rate hikes this year. Initial investor optimism was further buoyed by strong economic growth for Q1 2019 and strong company earnings results. US GDP growth came in at 3.2% for the first quarter, bettering expected growth figures of 2.5% as exports rose.

The longstanding spat between the US and China was revived in May after the Commerce Department placed Chinese telecoms giant Huawei and 70 of its affiliates on its trade blacklist, leading many domestic companies to start cutting ties with the firm. President Trump also threatened steadily increasing tariffs on Mexican goods, which also provided an adverse backdrop. US economic data also contributed to the challenging market environment as corporate earnings, consumer spending and business investment figures released in May were weaker-than-expected.

Nevertheless, US equity markets recovered in towards the end of

the six-month period, buoyed by the Federal Reserve's comment on monetary policy that "the case for additional accommodation has strengthened". A soft inflation reading also bolstered sentiment. The G20 Leaders' Summit concluded with a temporary truce between the US and China, with the US holding off on imposing tariffs on another US\$300 billion of Chinese imports and relenting on selected export controls against Huawei to allow for trade talks to resume. While little was achieved, markets cheered the fact that further escalation of trade tensions was avoided.

### Fund review

The portfolio's marginal outperformance came predominantly from stock selection over the period as strength in our industrials and consumer staples holdings bolstered relative returns. Sector allocation effects were broadly neutral over the period.

Turning to stock contributions, it was our technology names which topped the list, with Rapid7 and Leidos Holdings leading the charge. A strengthening balance sheet has helped shore up Rapid7's share price with a first quarter revenue forecast beat also boosting sentiment. The technology sector as a whole broadly enjoyed a strong recovery over the period after being hit quite severely by the sell-off in Q4 2018. Negative contributions came from Benefitfocus, Commvault Systems and The Mosaic Company.

Looking ahead, M&A activity in the software sector has been heating up, with US\$20 billion spent on business analytics companies recently. First Google announced it was buying Looker, a business intelligence software and data analytics provider, for US\$2.6 billion, then CRM specialist Salesforce tabled a US\$15.7 billion bid for data visualization specialist Tableau Software (held in our portfolio).

These acquisitions highlight the demand for leading edge business analytics software as enterprise IT slowly moves towards the adoption of machine learning (ML) and artificial intelligence (AI). And they validate our thesis that the business analytics companies are the best way to exploit this initial phase of the ML/AI transition. Looking ahead, we believe investors should continue to look to invest in companies that assist organisations in making the transition to advanced data analytics and eventually ML/AI.

**Thorsten Becker**  
Senior Fund Manager

**Arun Daniel**  
Senior Fund Manager

**Vincent Rivers**  
Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets	
			'000	£'000	£'000	%
CANADA	Encana	142	USD	1,126	563	1.04
				1,126	563	1.04
IRELAND	Allegion	19	USD	1,125	1,605	2.97
	Jazz Pharmaceuticals	10	USD	1,122	1,066	1.97
				2,247	2,671	4.94
NETHERLANDS	Wright Medical Group	41	USD	781	937	1.74
				781	937	1.74
UNITED STATES	Benefitfocus	38	USD	1,076	792	1.47
	BioMarin Pharmaceutical	10	USD	660	647	1.20
	Burlington Stores	9	USD	808	1,215	2.25
	Carbon Black	84	USD	1,287	1,089	2.02
	CommVault Systems	22	USD	1,159	854	1.58
	CONMED	13	USD	491	885	1.64
	First American Financial	39	USD	1,295	1,645	3.05
	First Republic Bank	17	USD	1,071	1,250	2.31
	FMC	17	USD	832	1,122	2.08
	ForeScout Technologies	37	USD	838	961	1.78
	Great Western Bancorp	35	USD	973	980	1.82
	HD Supply Holdings	35	USD	1,020	1,088	2.02
	Helmerich & Payne	16	USD	658	626	1.16
	Heska	15	USD	933	1,011	1.87
	HubSpot	6	USD	474	829	1.54
	IBERIABANK	14	USD	699	814	1.51
	Jacobs Engineer Group	24	USD	1,004	1,618	3.00
	Jones Lang LaSalle	13	USD	1,196	1,374	2.54
	Lamb Weston Holdings	16	USD	806	800	1.48
	Leidos Holdings	28	USD	1,352	1,778	3.29
	Martin Marietta Materials	7	USD	1,061	1,278	2.37
	Masco	48	USD	1,310	1,485	2.75
	MasTec	27	USD	972	1,061	1.97
	MGM Growth Properties	39	USD	815	940	1.74
	Monolithic Power Systems	7	USD	735	784	1.45
	Mosaic	45	USD	886	875	1.62
	Pacira BioSciences	19	USD	623	661	1.22
	Post Holdings	14	USD	842	1,141	2.11
	Rapid7	26	USD	453	1,128	2.09
	Raymond James Financial	22	USD	1,191	1,438	2.66
	Sabre	73	USD	1,211	1,281	2.37
	SEI Investments	15	USD	609	669	1.24



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
	'000		£'000	£'000	%
UNITED STATES					
Service Corp International	35	USD	868	1,259	2.33
continued					
ServiceMaster Global Holdings	32	USD	871	1,313	2.43
SVB Financial Group	7	USD	954	1,201	2.22
Syneos Health	34	USD	1,053	1,336	2.47
Tableau Software	8	USD	451	1,022	1.89
Tapestry	47	USD	1,533	1,152	2.13
Terex	49	USD	1,333	1,194	2.21
Tiffany	16	USD	1,074	1,173	2.17
Toll Brothers	26	USD	755	748	1.39
Woodward	14	USD	697	1,232	2.28
Zayo Group Holdings	33	USD	832	868	1.61
			39,761	46,617	86.33
VIRGIN ISLANDS					
Nomad Foods	97	USD	1,441	1,588	2.94
			1,441	1,588	2.94
<b>Transferable securities admitted to an official stock exchange listing</b>			<b>45,356</b>	<b>52,376</b>	<b>96.99</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### B) OTC financial derivative instruments: open foreign currency contracts

Maturity	Counterparty	Currency	Purchased	Currency	Sold	Fair value	Net assets
			'000		'000	£'000	%
01.07.19	RBC Investor Services Luxembourg	GBP	-	USD	-	-	-
02.07.19	RBC Investor Services Luxembourg	GBP	21	USD	(27)	-	-
<b>Total as at 30 June 2019</b>						-	-



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
United States	86.33	89.76
Ireland	4.94	5.11
Virgin Islands	2.94	2.79
Netherlands	1.74	1.87
Canada	1.04	-
Total investments at fair value through profit or loss	96.99	99.53
Other net assets	3.01	0.47
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>

% PEA eligible holding as at 30 June 2019 was 6.68% (2018: 6.98%).

("PEA" stands for Plan d'Épargne en Actions and is applicable to French investors).



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018
	%	%
Holding and finance companies	16.15	15.84
Internet software	12.37	15.39
Banks and financial institutions	11.76	12.28
Pharmaceuticals and cosmetics	6.70	7.30
Consumer goods	5.72	5.23
Construction and building material	5.37	4.52
Retail	4.42	4.04
Real estate companies	4.28	4.11
Electronics and electrical equipment	4.25	5.67
Healthcare education and social services	4.07	4.51
Chemicals	3.70	4.16
Mortgage and funding institutions	3.05	3.03
Leisure	2.37	2.43
Mechanics and machinery	2.21	2.05
Petrol	2.20	2.64
Textile	2.13	2.76
Food and distilleries	2.11	2.15
Agriculture and fishing	1.48	-
Electronic semiconductor	1.45	-
Biotechnology	1.20	1.42
Total investments at fair value through profit or loss	96.99	99.53
Other net assets	3.01	0.47
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£
<b>PURCHASES*</b>		
Encana	142	1,126
Lamb Weston Holdings	16	806
Monolithic Power Systems	7	735
Tiffany	9	611
Benefitfocus	17	523
Carbon Black	24	256
HD Supply Holdings	8	253
Jones Lang LaSalle	2	252
Terex	5	134
FMC	2	131
Sabre	7	131
Masco	5	128
ForeScout Technologies	4	114
Livent	14	110

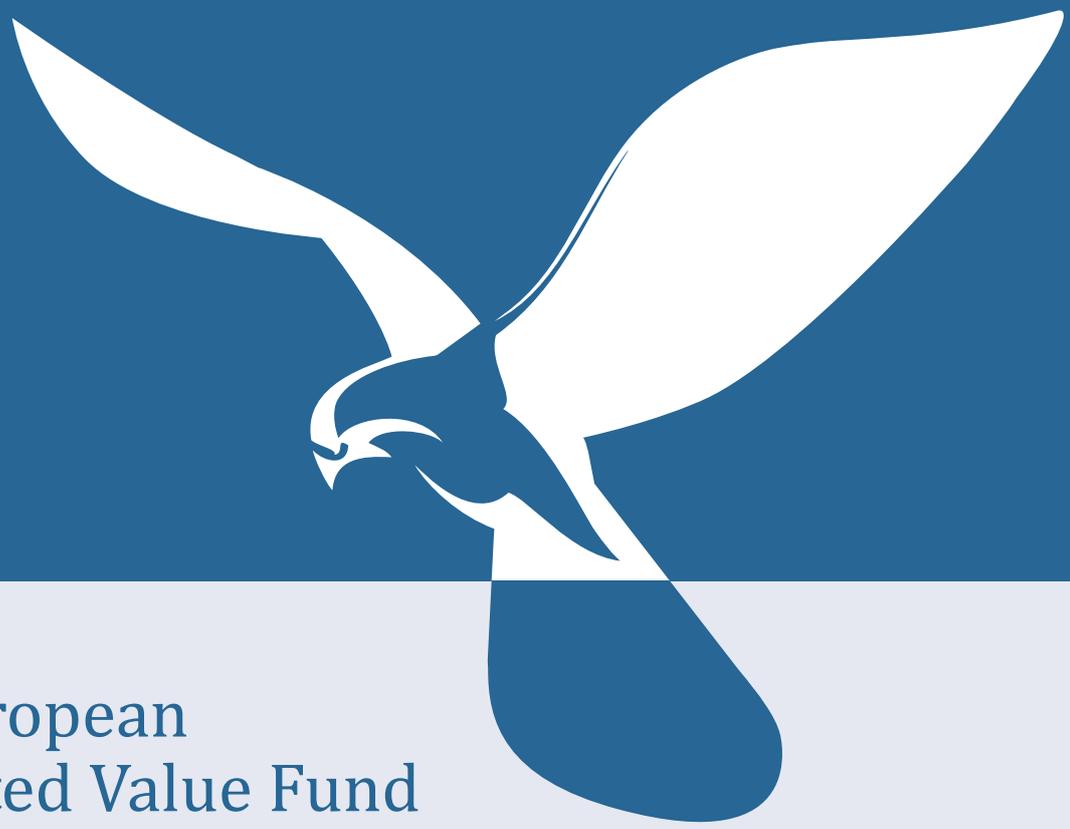
\* Represents total purchases during the year.

The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.

Security name	Quantity	Proceeds
	'000	£
<b>SALES*</b>		
Newfield Exploration	53	1,126
Rapid7	33	1,063
Zayo Group Holdings	31	803
ForeScout Technologies	23	669
Woodward	9	656
HubSpot	4	561
MasTec	13	525
Allegion	4	252
ServiceMaster Global Holdings	7	251
Burlington Stores	2	237
Livent	14	130
Service Corp International	4	120
Tableau Software	1	116
Benefitfocus	3	116

\* Represents total sales during the year.

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.



# JOHCM European Concentrated Value Fund

A sub-fund of J O Hambro Capital Management Umbrella Fund plc



**Robrecht Wouters**  
**Senior Fund Manager**

Robrecht joined JOHCM in September 2003 and has 28 years industry experience

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## INVESTMENT MANAGEMENT REPORT

for the year ended to 30 June 2019

### Performance

The JOHCM European Concentrated Value Fund returned 12.18%, net of fees and in euro terms for the 'A' share class, for the six-month period to 30 June 2019. Over the same period, the MSCI Europe NR Index (12pm adjusted) returned 15.93%.

### Investment background

In common with stock markets globally, European equities made a very strong start to 2019, with markets rebounding sharply from the sell-off at the end of last year, buoyed by central bank dovishness and hopes of an end to the US-China trade tensions. The Federal Reserve signalled that no further interest rate hikes were likely this year while the ECB also extended the period it would hold rates to the end of the year. Despite the positive newsflow, global growth concerns lingered as economic data points were weaker than anticipated.

The rally did not continue unabated, however. After touching all-time highs in the first days of May, stock market sentiment turned sharply negative as trade war rhetoric escalated and global economic growth expectations dimmed. European equity markets did recover from the sharp losses witnessed in May, rallying strongly as trade tensions did not develop into effective policy measures and central banks were vocal on loosening monetary policy.

### Fund review

The portfolio underperformed in the first half of 2019 as strength in our communication services holdings was offset by weakness in our materials and industrials names. Key laggards included Thyssenkrupp, Rolls-Royce and Wartsila.

In these sharply rising markets, finding true value opportunities in low beta, high return on capital employed companies is difficult. This 2019 rally has extended the valuation stretch/disparity between 'quality' and 'classic value' stocks even further. It is the 'classic value' corner of the market where true opportunities reside, and we invested in Dutch-listed nitrogen fertiliser and industrial chemical (methanol) producer OCI.

OCI is a commodity industrial, operating in the volatile, less predictable end-markets of agriculture (75% of cash flow) and energy (25% of cash flow). But the agro-cycle is not the economic cycle. We believe the company to be undervalued by 80%+. Interestingly, the company recently received takeover interest for its methanol activities.

Swiss group Schindler Holding (CHF22.5bn market cap), the world's second-largest lift and elevator group, is another new addition. The value attraction of elevator companies is well known and publicised (in fact, we owned Schindler from January 2011 to February 2016). Service and maintenance contracts (often legally enforced) for the installed base of lifts generate most of the company's free cash flow. These are recurrent in nature, highly predictable and can grow with new installation growth. In addition, limited capital needs to grow leads to very high cash flow conversion (i.e. high returns on investment).

Elsewhere, we started a new position in Deutsche Post DHL. Structural growth in parcels, express (i.e. DHL), freight forwarding and contract logistics has, over the years, diluted the relative importance of the traditional mail business (in structural

decline) to a mere 15% of the group's €61.6bn annual revenues. As a result of this internal rebalance and given the company's market leading positions, it is fair to assume Deutsche Post DHL will continue to benefit from the structural trends of growing e-commerce and business internationalisation.

We sold out of French spirits group Pernod Ricard. It has been an excellent performer but, in our opinion, the shares had surpassed fair value. We also sold out of Akzo Nobel. The stock approached our assessment of its intrinsic value and delivered on our return expectations set out at the time of purchase.

### Robrecht Wouters Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

	Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
				'000	£'000	£'000
FINLAND	Nokia	44,950	EUR	17,511	17,617	4.27
	Wartsila - Class B	7,845	EUR	11,447	8,978	2.18
				28,958	26,595	6.45
FRANCE	Danone	3,574	EUR	20,351	23,807	5.77
	Imerys	2,450	EUR	15,129	10,182	2.47
	JCDecaux	6,765	EUR	18,853	16,091	3.90
	Sanofi	1,565	EUR	10,586	10,646	2.58
	Vivendi	8,491	EUR	14,567	18,322	4.44
				79,486	79,048	19.16
GERMANY	Bayer	2,279	EUR	17,070	12,443	3.02
	Deutsche Post	4,843	EUR	12,096	12,433	3.01
	Henkel	1,253	EUR	11,004	9,083	2.20
	METRO	17,038	EUR	26,259	24,408	5.91
	SAP	1,989	EUR	15,755	21,351	5.17
	ThyssenKrupp	17,176	EUR	28,865	19,633	4.76
				111,049	99,351	24.07
GREAT BRITAIN	British American Tobacco	2,479	GBP	11,167	6,844	1.66
	Liberty Global - Class C	13,260	USD	31,365	27,405	6.64
	Pearson	9,365	GBP	6,496	7,711	1.87
	Reckitt Benckiser Group	2,298	GBP	13,183	14,197	3.44
	Reed Elsevier	4,603	GBP	7,330	8,814	2.14
	Rolls-Royce Holdings	25,690	GBP	20,566	21,497	5.21
	Royal Dutch Shell - Class B	4,386	GBP	10,179	11,355	2.75
				100,286	97,823	23.71
NETHERLANDS	Heineken Holding	2,303	EUR	15,302	19,017	4.61
	OCI	6,017	EUR	13,168	13,053	3.16
	Wolters Kluwer	2,169	EUR	7,486	12,463	3.02
				35,956	44,533	10.79
SPAIN	Grifols	8,396	EUR	16,664	19,316	4.68
				16,664	19,316	4.68
SWITZERLAND	Schindler Holding	578	CHF	9,847	10,177	2.47
				9,847	10,177	2.47
UNITED STATES	Oracle	5,421	USD	18,888	24,264	5.88
				18,888	24,264	5.88
<b>Transferable securities admitted to an official stock exchange listing</b>				<b>401,134</b>	<b>401,107</b>	<b>97.21</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### B) Other transferable securities

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
	'000		£'000	£'000	%
GREAT BRITAIN					
Rolls-Royce Holdings - Preference shares	1,823,964	GBP	182	182	0.04
			182	182	0.04
<b>Other transferable securities</b>			<b>182</b>	<b>182</b>	<b>0.04</b>
<b>Investment in Transferable Securities</b>			<b>401,316</b>	<b>401,289</b>	<b>97.25</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### C) OTC financial derivative instruments: open foreign currency contracts

Maturity	Counterparty	Currency	Purchased	Currency	Sold	Fair value	Net assets
			'000		'000	£'000	%
31.07.2019	RBC Investor Services Luxembourg	SGD	279,016	EUR	(180,875)	(72)	(0.02)
<b>Total as at 30 June 2019</b>						<b>(72)</b>	<b>(0.02)</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
Germany	24.07	19.17
Great Britain	23.75	23.32
France	19.16	22.29
Netherlands	10.79	13.47
Finland	6.45	7.87
United States	5.88	5.51
Spain	4.68	4.59
Switzerland	2.47	-
Total investments at fair value through profit or loss	97.25	96.22
Open foreign currency contracts	(0.02)	0.14
Total investments at fair value through profit or loss	97.23	96.36
Other net assets	2.77	3.64
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>

% PEA eligible holding as at 30 June 2019 was 88.90% (2018: 90.71%).  
("PEA" stands for Plan d'Épargne en Actions and is applicable to French investors).



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018
	%	%
Graphic art and publishing	15.37	18.20
Food and distilleries	11.68	11.45
Internet software	11.05	9.55
News transmission	10.91	10.91
Tobacco and spirits	6.27	8.71
Chemicals	6.18	6.39
Consumer goods	5.64	6.23
Aerospace technology	5.25	5.70
Mines and heavy machinery	4.76	4.53
Biotechnology	4.68	4.59
Mechanics and machinery	4.65	2.33
Transportation	3.01	-
Petrol	2.75	2.72
Pharmaceuticals and cosmetics	2.58	2.81
Construction and building material	2.47	2.10
Total investments at fair value through profit or loss	97.25	96.22
Open foreign currency contracts	(0.02)	0.14
Total investments at fair value through profit or loss	97.23	96.36
Other net assets	2.77	3.64
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£
<b>PURCHASES*</b>		
OCI	602	13,168
Deutsche Post	502	12,541
Schindler Holding	58	9,847
ThyssenKrupp	459	5,192
SAP	54	4,451
Bayer	83	4,396
Nokia	593	2,348
Imerys	34	1,381
British American Tobacco	43	1,358
Wartsila - Class B	81	1,065
METRO	63	794
Pearson	39	333
Rolls-Royce Holdings - Preference shares	182,396	182
Reckitt Benckiser Group	3	157
Rolls-Royce Holdings	-	119

\* Represents total purchases during the year.

The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.

Security name	Quantity	Proceeds
	'000	£
<b>SALES*</b>		
Akzo Nobel	242	16,010
Pernod Ricard	94	12,882
Wolters Kluwer	204	10,949
SAP	61	5,574
Nokia	985	4,658
METRO	326	4,214
Vivendi	176	3,853
Oracle	82	3,334
Danone	42	2,482
Heineken Holding	28	2,171
Reed Elsevier	94	1,583
Liberty Global - Class C	76	1,505
Rolls-Royce Holdings	146	1,324
Grifols	48	1,013
Reckitt Benckiser Group	16	973
JCDecaux	39	932
ThyssenKrupp	84	931
Royal Dutch Shell	25	625
Sanofi	9	578
Wartsila - Class B	40	512

\* Represents total sales during the year.

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.



# JOHCM Global Smaller Companies Fund

A sub-fund of J O Hambro Capital Management Umbrella Fund plc



**Thorsten Becker**  
**Senior Fund Manager**

Thorsten joined JOHCM in June 2014 and has 28 years industry experience



**Arun Daniel**  
**Senior Fund Manager**

Arun joined JOHCM in June 2014 and has 27 years industry experience



**Vincent Rivers**  
**Senior Fund Manager**

Vincent joined JOHCM in June 2014 and has 22 years industry experience

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## INVESTMENT MANAGEMENT REPORT

for the financial period ended 30 June 2019

### Performance

The JOHCM Global Smaller Companies Fund returned 14.20%, net of fees and in US dollar terms, for the six-month period to 30 June 2019. Over the same period, the MSCI AC World SMID Index (12pm adjusted) returned 15.86%.

### Investment background

Global equity markets rallied strongly at the beginning of 2019. Sentiment improved dramatically after the US Federal Reserve signalled an end to its programme of interest rate rises in the face of worries over a slowing global economy. Receding trade tensions also helped calm investors' nerves, albeit a re-escalation in trade concerns emerged in May as trade talks between the US and China unexpectedly broke down and both sides implemented new tariffs. This was short-lived, however, with investor sentiment improving in June amid an easing of the trade rhetoric and following indications of further stimulative policies by central banks. Smaller company stocks broadly kept pace with their larger cap counterparts, with North American small caps outperforming.

### Fund review

The portfolio's underperformance came predominantly from stock selection over the period as strength in our industrials holdings were offset by weakness in select technology and healthcare names. Sector allocation effects were broadly neutral over the period.

Looking first at the positives, industrials name Jacobs Engineering was the top performer over the six months while cybersecurity company Rapid7 also contributed well. A strengthening balance sheet has helped shore up Rapid7's share price with a first quarter revenue forecast beat also boosting sentiment. The technology sector as a whole broadly enjoyed a strong recovery over the period after being hit quite severely by the sell-off in Q4 2018. Negative contributions came from Benefitfocus, Godrej Consumer and Chilean chemicals company SQM.

Looking ahead, M&A activity in the software sector has been heating up, with US\$20 billion spent on business analytics companies recently. First Google announced it was buying Looker, a business intelligence software and data analytics provider, for

US\$2.6 billion, then CRM specialist Salesforce tabled a US\$15.7 billion bid for data visualization specialist Tableau Software (held in our portfolio).

These acquisitions highlight the demand for leading edge business analytics software as enterprise IT slowly moves towards the adoption of machine learning (ML) and artificial intelligence (AI). And they validate our thesis that the business analytics companies are the best way to exploit this initial phase of the ML/AI transition. Looking ahead, we believe investors should continue to look to invest in companies that assist organisations in making the transition to advanced data analytics and eventually ML/AI.

**Thorsten Becker**  
Senior Fund Manager

**Arun Daniel**  
Senior Fund Manager

**Vincent Rivers**  
Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

	Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
				'000	£'000	£'000
AUSTRIA	Erste Group Bank	3	EUR	70	89	2.00
				70	89	2.00
BERMUDA	Lancashire Holdings	11	GBP	70	78	1.76
				70	78	1.76
CANADA	Encana	6	USD	56	22	0.49
				56	22	0.49
CHILE	Sociedad Quimica y Minera de Chile	2	CLP	65	58	1.31
				65	58	1.31
CZECH	Komerčni banka	1	CZK	38	42	0.94
				38	42	0.94
DENMARK	H Lundbeck	2	DKK	67	67	1.51
				67	67	1.51
GERMANY	Aareal Bank	3	EUR	64	53	1.19
				64	53	1.19
GREAT BRITAIN	Premier Oil	56	GBP	70	43	0.97
	Sophos Group	13	GBP	69	52	1.17
				139	95	2.14
INDIA	Godrej Consumer Products	13	INR	87	102	2.30
				87	102	2.30
IRELAND	Allegion	2	USD	94	138	3.11
	Jazz Pharmaceuticals	-	USD	56	52	1.17
				150	190	4.28
JAPAN	Concordia Financial Group	11	JPY	44	32	0.72
	Nitori Holdings	1	JPY	91	125	2.81
	Systemex	1	JPY	38	51	1.15
	Trend Micro	1	JPY	46	35	0.79
	Tsuruha Holdings	1	JPY	94	95	2.14
				313	338	7.61
NETHERLANDS	Wright Medical Group	3	USD	47	62	1.39
				47	62	1.39
SPAIN	Cellnex Telecom	3	EUR	65	81	1.82
				65	81	1.82



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
			'000	£'000	£'000
UNITED STATES					
Benefitfocus	2	USD	71	51	1.15
BioMarin Pharmaceutical	1	USD	45	42	0.94
Burlington Stores	1	USD	54	92	2.07
Carbon Black	5	USD	82	63	1.42
CommVault Systems	1	USD	68	49	1.10
CONMED	1	USD	23	50	1.13
First American Financial	1	USD	27	48	1.08
First Republic Bank	1	USD	25	49	1.10
FMC	1	USD	40	68	1.53
ForeScout Technologies	2	USD	57	65	1.46
HD Supply Holdings	2	USD	75	76	1.71
Helmerich & Payne	1	USD	46	40	0.90
Heska	1	USD	51	58	1.31
HubSpot	-	USD	26	65	1.46
Jacobs Engineer Group	3	USD	112	180	4.05
Jones Lang LaSalle	1	USD	65	69	1.55
Lamb Weston Holdings	1	USD	66	65	1.46
Leidos Holdings	1	USD	61	82	1.85
Martin Marietta Materials	1	USD	77	102	2.30
Masco	3	USD	82	105	2.36
MasTec	2	USD	88	96	2.16
MGM Growth Properties	3	USD	45	66	1.49
Monolithic Power Systems	1	USD	61	65	1.46
Mosaic	4	USD	78	74	1.66
Pacira BioSciences	2	USD	70	53	1.19
Post Holdings	1	USD	73	99	2.23
Rapid7	1	USD	25	62	1.40
Raymond James Financial	1	USD	37	57	1.28
Sabre	3	USD	56	58	1.31
SEI Investments	1	USD	39	44	0.99
Service Corp International	2	USD	38	63	1.42
ServiceMaster Global Holdings	2	USD	63	80	1.80
SVB Financial Group	-	USD	59	70	1.58
Syneos Health	2	USD	51	65	1.46
Tableau Software	-	USD	25	62	1.40
Tapestry	4	USD	116	90	2.03



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description		Quantity	Currency	Acquisition cost	Fair value	Net assets
				£'000	£'000	%
UNITED STATES	Terex	4	USD	94	91	2.05
continued	Tiffany	1	USD	90	98	2.21
	Toll Brothers	1	USD	43	43	0.97
	Woodward	1	USD	33	59	1.33
	Zayo Group Holdings	1	USD	21	21	0.47
				2,358	2,835	63.82
VIRGIN ISLANDS	Nomad Foods	7	USD	106	118	2.66
				106	118	2.66
<b>Transferable securities admitted to an official stock exchange listing</b>				<b>3,695</b>	<b>4,230</b>	<b>95.22</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### B) Other transferable securities

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
	'000		£'000	£'000	%
SOUTH KOREA Samsung Fire & Marine Insurance	-	USD	62	70	1.58
			62	70	1.58
<b>Other transferable securities - warrants</b>			<b>62</b>	<b>70</b>	<b>1.58</b>
<b>Investment in Transferable securities</b>			<b>3,757</b>	<b>4,300</b>	<b>96.80</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
United States	63.82	64.61
Japan	7.61	8.22
Ireland	4.28	4.19
Virgin Islands	2.66	2.43
India	2.30	3.16
Great Britain	2.14	2.25
Austria	2.00	2.04
Spain	1.82	-
Bermuda	1.76	1.78
South Korea	1.58	1.86
Denmark	1.51	1.91
Netherlands	1.39	1.42
Chile	1.31	1.86
Germany	1.19	1.60
Czech	0.94	1.01
Canada	0.49	-
Total investments at fair value through profit or loss	96.80	98.34
Other net assets	3.20	1.66
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>

% PEA eligible holding as at 30 June 2019 was 15.27% (2018: 14.42%).  
("PEA" stands for Plan d'Épargne en Actions and is applicable to French investors).



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018
	%	%
Holding and finance companies	13.06	13.07
Internet software	11.35	13.31
Banks and financial institutions	9.80	10.46
Pharmaceuticals and cosmetics	7.46	7.93
Retail	7.09	6.76
Construction and building materials	6.35	5.10
Consumer goods	5.47	4.82
Food and distilleries	4.53	5.33
Chemicals	4.50	5.41
Electronics and electrical equipment	3.49	4.92
Insurance	3.34	3.64
Real estate companies	3.04	4.40
Healthcare education and social services	2.81	3.05
Petrol	2.36	2.53
Mechanics and machinery	2.05	1.81
Textile	2.03	2.51
News transmission	1.82	-
Electronic semiconductor	1.46	-
Agriculture and fishing	1.46	-
Leisure	1.31	1.16
Mortgage and funding institutions	1.08	1.04
Biotechnology	0.94	1.09
Total investments at fair value through profit or loss	96.80	98.34
Other net assets	3.20	1.66
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£
<b>PURCHASES*</b>		
Lamb Weston Holdings	1	66
Cellnex Telecom	3	65
Monolithic Power Systems	1	61
Tiffany	1	51
Benefitfocus	1	34
HD Supply Holdings	1	21
Jones Lang LaSalle	-	13
Carbon Black	1	13
Terex	-	11
Sabre	1	11
Masco	-	10
ForeScout Technologies	-	9
FMC	-	8
Livent	1	5

\* Represents total purchases during the year.

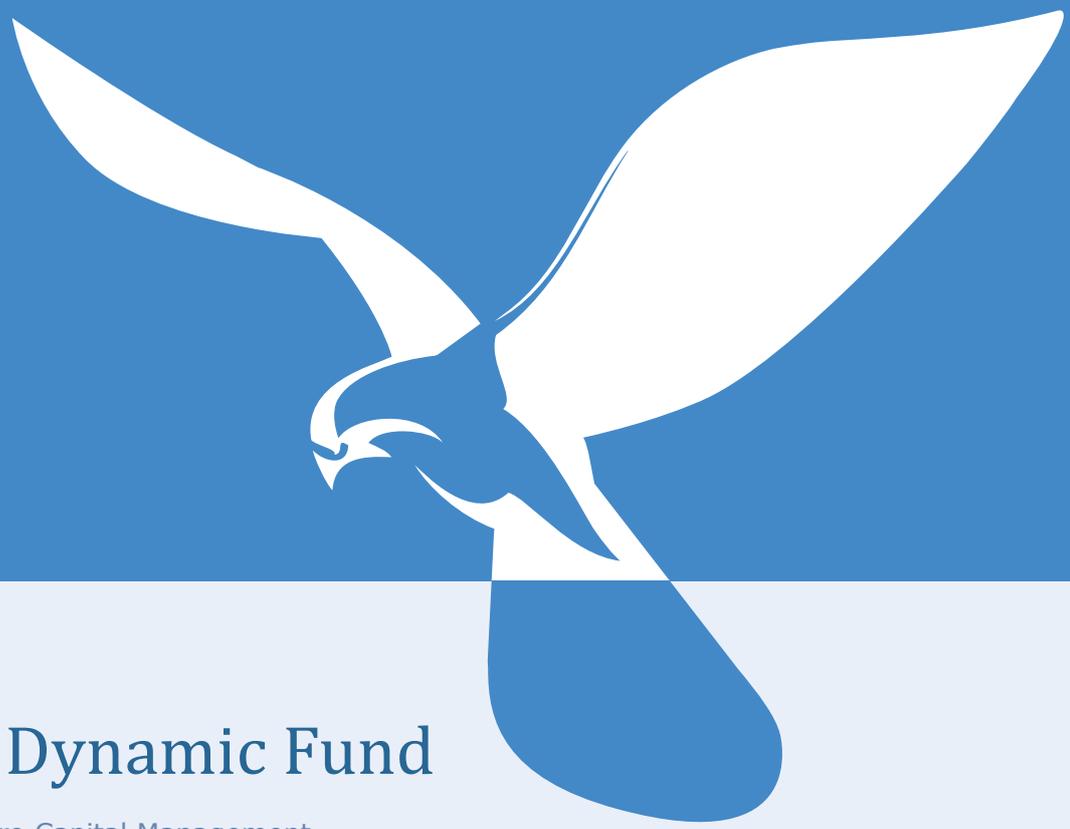
The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.

Security name	Quantity	Proceeds
	'000	£
<b>SALES*</b>		
SBA Communications	-	75
Zayo Group Holdings	3	66
Woodward	1	54
ForeScout Technologies	2	44
MasTec	1	43
Rapid7	1	37
ServiceMaster Global Holdings	1	21
Allegion	-	21
HubSpot	-	21
Burlington Stores	-	20
Benefitfocus	1	20
Service Corp International	-	10
Tableau Software	-	10
Livent	1	8

\* Represents total sales during the year.

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.





# JOHCM UK Dynamic Fund

A sub-fund of J O Hambro Capital Management  
Umbrella Fund plc



**Alex Savvides**  
**Senior Fund Manager**

Alex joined JOHCM in March 2003 and has 22 years industry experience

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## INVESTMENT MANAGEMENT REPORT

for the financial period ended 30 June 2019

### Performance

The JOHCM UK Dynamic Fund returned 12.69% in sterling terms, net of fees for the 'A' share class, for the six-month period ended 30 June 2019. Over the same period, the FTSE All-Share Total Return Index (12pm adjusted) returned 12.96%.

### Investment background

Brexit-related uncertainty continued to weigh on UK economic growth and investor sentiment. Already highly rated quality growth stocks performed particularly well as investors clamoured for earnings stability in response to the heightened political and economic uncertainty. Fears of a 'no deal' Brexit rose back up the agenda, with the recently formed Brexit Party performing well in European elections and arch-Brexiteer Boris Johnson poised to replace Mrs May as leader of the Conservative Party and prime minister as we entered July. Sterling continued to weaken such that the Bank of England's trade-weighted effective exchange rate had unwound all its gains for the year by the end of the period.

On a wider scale, government bond yields fell in response to concerns over a slowing global economy. The US Federal Reserve reacted to signs of slowing growth by ending its programme of interest rate rises and signalling that rate cuts may now lie ahead. Investors are now confronting an environment where interest rates are expected to remain "lower for longer".

### Fund review

The Fund performed broadly in line with its benchmark over the period, although there were a number of highlights at the stock level.

3i is the Fund's largest active position and delivered an earnings upgrade as management continued to successfully execute on their strategy, thereby leading its shares to more than regain the decline suffered in the broader market sell-off at the end of last year and re-rate to reach a new absolute and relative share price high since the Fund's ownership. Whilst cognisant that the speed of this share price move will have in part been aided by the market's current appetite for growth stocks, we remain confident over the idiosyncratic drivers of future earnings growth yet to be delivered.

We also saw a strong contribution from Moneysupermarket after a strong set of full-year results that demonstrated traction in the new management team's strategy to re-establish growth by focusing on improved customer experience. The numbers for 2018 were slightly ahead of expectations, but importantly the cash generation was strong and the forward outlook statement encouraging. The company also announced an additional cash return of £40m.

On the negative side, The Restaurant Group was the main laggard. Despite preliminary results delivering profit before tax in line with consensus and the share price closing up 10% on

the day, the shares lost their gains to be down 7% in March. Although there was a slight trimming of estimates by analysts to account for the launch costs associated with the new Mamago food to go brand and the delivery kitchen business, share price weakness is more likely to be a combination of continued investor concerns over the CEO's recently announced departure plus ongoing Brexit uncertainty. There is more than enough raw material at The Restaurant Group to attract a new high-calibre CEO and therefore scope for the existing market narrative to change. In the meantime, extreme value has emerged with the current market cap of the group now equal to the total amount paid for Wagamama less than six months ago.

Qinetiq also suffered after two analysts downgraded their recommendations on valuation grounds. We disagree with their conclusions and see the analysis as short-term earnings momentum-driven rather than based on fundamental valuation.

Portfolio activity over the period including adding Centrica, Aggreko and Convatec Group to the Fund. The Fund exited positions in Britvic, Marks & Spencer, Majestic Wine and CMC.

### Alex Savvides Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets	
			£'000	£'000	%	
GREAT BRITAIN	3i	73	GBP	693	814	4.56
	Aggreko	25	GBP	198	200	1.12
	Anglo American	31	GBP	539	689	3.86
	Aviva	135	GBP	655	559	3.13
	Barclays	400	GBP	733	599	3.35
	BP	184	GBP	1,017	1,008	5.65
	Centrica	178	GBP	192	155	0.87
	Chemring	104	GBP	204	189	1.06
	ConvaTec Group	65	GBP	85	95	0.53
	Crest Nicholson Holdings	43	GBP	155	153	0.86
	Electrocomponents	102	GBP	662	651	3.65
	Elementis	126	GBP	269	173	0.97
	Empiric Student Property	95	GBP	90	87	0.49
	Essentra	102	GBP	439	434	2.43
	Euromoney Institutional Investor	33	GBP	424	428	2.40
	GlaxoSmithKline	51	GBP	783	809	4.53
	HSBC Holdings	101	GBP	704	661	3.70
	Hunting	58	GBP	392	296	1.66
	ITE Group	256	GBP	208	181	1.01
	ITV	257	GBP	367	276	1.53
	Lloyds Banking Group	1,072	GBP	672	610	3.42
	McBride	91	GBP	122	71	0.40
	McCarthy & Stone	154	GBP	174	209	1.17
	Melrose Industries	188	GBP	378	339	1.90
	Moneysupermarket.com Group	96	GBP	309	397	2.22
	National Express Group	57	GBP	226	231	1.29
	Numis	32	GBP	116	84	0.47
	QinetiQ	198	GBP	524	552	3.09
	Restaurant Group	408	GBP	681	542	3.04
	Rio Tinto	12	GBP	457	563	3.15
	Royal Dutch Shell - Class B	39	GBP	1,001	1,006	5.63
	SDL	32	GBP	153	162	0.91
	SIG	137	GBP	193	178	1.00
	Speedy Hire	141	GBP	83	90	0.50
	St Modwen Properties	106	GBP	431	466	2.61
	Stock Spirits Group	120	GBP	282	269	1.51



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description		Quantity	Currency	Acquisition cost	Fair value	Net assets
		'000		£'000	£'000	%
GREAT BRITAIN	Tesco	202	GBP	472	458	2.56
continued	TT Electronics	96	GBP	227	228	1.28
	Urban & Civic	119	GBP	366	391	2.19
	Vodafone Group	430	GBP	748	555	3.11
	Wm Morrison Supermarkets	295	GBP	694	596	3.34
				17,118	16,454	92.15
JERSEY	Man Group	203	GBP	345	316	1.77
	WPP	37	GBP	325	363	2.03
				670	679	3.80
<b>Transferable securities admitted to an official stock exchange listing</b>				<b>17,788</b>	<b>17,133</b>	<b>95.95</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### B) Other transferable securities

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
	'000		£'000	£'000	%
GREAT BRITAIN Daily Mail & General Trust	47	GBP	304	364	2.04
			304	364	2.04
<b>Other transferable securities</b>			<b>304</b>	<b>364</b>	<b>2.04</b>
<b>Investment in Transferable securities</b>			<b>18,092</b>	<b>17,497</b>	<b>97.99</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
Great Britain	94.19	96.19
Jersey	3.80	0.65
Total investments at fair value through profit or loss	97.99	96.84
Other net assets	2.01	3.16
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>

% PEA eligible holding as at 30 June 2019 was 94.19% (2018 : 96.19%).  
("PEA" stands for Plan d'Épargne en Actions and is applicable to French investors).



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018
	%	%
Petrol	11.28	11.62
Banks and financial institutions	10.94	11.95
Holding and finance companies	10.86	10.77
Graphic art and publishing	7.48	4.95
Non-ferrous metals	7.01	7.05
Retail	5.90	6.81
Real estate companies	5.29	4.79
News transmission	4.64	4.73
Aerospace technology	4.15	4.69
Business houses	3.65	3.41
Construction and building material	3.53	3.18
Chemicals	3.40	4.16
Insurance	3.13	3.19
Internet software	3.13	2.07
Leisure	3.04	4.00
Mechanics and machinery	3.02	1.82
Transportation	2.95	3.09
Tobacco and spirits	1.51	1.67
Electronic semiconductor	1.28	1.23
Public services	0.87	-
Other services	0.53	-
Consumer goods	0.40	0.58
Food and distilleries	-	1.08
Total investments at fair value through profit or loss	97.99	96.84
Other net assets	2.01	3.16
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.0</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£
<b>PURCHASES</b>		
WPP	29	255
Euromoney Institutional Investor	19	244
Royal Dutch Shell - Class B	9	227
Wm Morrison Supermarkets	97	207
BP	37	206
Aggreko	25	200
Centrica	183	196
GlaxoSmithKline	12	194
Vodafone Group	128	175
ITV	139	172
Barclays	102	162
Tesco	63	149
Lloyds Banking Group	238	146
HSBC Holdings	21	136
St Modwen Properties	33	135
Electrocomponents	22	131
Moneysupermarket.com Group	37	128
Crest Nicholson Holdings	34	127
3i	13	126
Aviva	29	124
Anglo American	6	124
QinetiQ	39	115
Daily Mail & General Trust	16	113
Hunting	20	111
Daily Mail & General Trust	18	109
Rio Tinto	2	100
Melrose Industries	48	89
ConvaTec Group	66	86
Elementis	51	82
Restaurant Group	60	80
Essentra	19	76
McCarthy & Stone	50	64
SDL	11	61
Urban & Civic	21	60
Stock Spirits Group	24	54
Man Group	35	52

Security name	Quantity	Proceeds
	'000	£
<b>SALES</b>		
Marks & Spencer Group	66	180
Britvic	19	171
Anglo American	6	116
Royal Dutch Shell - Class B	4	101
Lloyds Banking Group	150	96
GlaxoSmithKline	5	84
Elementis	50	79
Rio Tinto	2	76
3i	8	74
Electrocomponents	10	60
Essentra	14	58
BP	10	55
Majestic Wine	22	55
HSBC Holdings	8	49
Restaurant Group	33	48
National Express Group	11	48
St Modwen Properties	9	38
Aviva	9	36
Euromoney Institutional Investor	3	34
Speedy Hire	51	31
QinetiQ	10	30
CMC Markets	33	28
SIG	18	25
Wm Morrison Supermarkets	11	24
Melrose Industries	11	21
WPP	2	20

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.

The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.



# JOHCM Global Income Builder Fund

A sub-fund of J O Hambro Capital Management  
Umbrella Fund plc  
(launched 11 April 2018)



**Giorgio Caputo**  
**Senior Fund Manager**

Giorgio joined JOHCM in August 2017 and has 22 years industry experience

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## INVESTMENT MANAGEMENT REPORT

for the financial period ended 30 June 2019

### Performance

The JOHCM Global Income Builder Fund returned 13.91% in sterling terms, net of fees for the 'A' share class, for the six-month period to 30 June 2019.

### Investment background

An improved policy backdrop, including a change of tack by the Federal Reserve and more accommodative central bank policies globally, along with a less aggressive tone to the US-China trade negotiations, were notable features over the six-month period. This backdrop contributed to a dramatic recovery in risk asset pricing after the Q4 2018 market sell-off, with equity and credit markets rallying strongly. Solid US corporate earnings also underpinned risk assets.

Trade tensions between the US and China resurfaced in May, causing risk assets to sell off sharply as the Trump administration announced it was proceeding with plans to implement tariff increases on U.S. imports from China. With investors seeking havens, US Treasury yields fell sharply and the gold price made some ground, although fell back.

June saw an interesting pattern of performance for financial markets. Both risk and more traditionally defensive holdings (such as developed market bonds, gold, the Japanese yen) both benefited from indications from the Federal Reserve and the European Central Bank (ECB) of looser monetary policy in the face of slowing economic growth. In the case of Europe, where the growth outlook is particularly underwhelming, the ECB appears to be prepared to resume its quantitative easing programme.

### Fund review

Given the strength in global stock markets equities, it was unsurprising

that the Fund's equities allocation drove the portfolio's robust performance over the period. Our international equities holdings, particularly the Europe ex UK positions, were especially helpful in performance terms. With credit markets also surging, our US and international corporate bond holdings were responsible for about one third of the Fund's gains. Our gold-related investments made a small but helpful contribution after the gold price hit a six-year high against a background of lower US interest rate expectations and a weaker US dollar.

"Quality compounder" stocks were in demand over the period, which helped boost Microsoft, Danone and Nestlé. HeidelbergCement issued a strong outlook for 2019 because of favourable pricing, positive energy-related cost trends, and improved demand in key markets thanks to better weather conditions.

Hang Lung Properties was another strong performer. It owns a portfolio of leading retail and office assets in tier one and tier two Chinese cities as well as in Hong Kong. Its share price was hurt in 2018 by worries over a slowing Chinese economy. Government policies favouring domestic consumption and progress in trade negotiations with the US helped ease these worries. At the stock level, Hang Lung's organic growth prospects have been reinvigorated and the next two years should see significant development projects reach completion.

In the debit column, the hotel group Mandarin Oriental was the only noteworthy laggard. It suffered from a combination of negative sentiment around US/China relations and protests in Hong Kong. Elsewhere, 3M disappointed investors with a muted growth outlook while Sligro

slipped back slightly after the shares had responded well to its acquisition last year of Heineken's wholesale activities. Elior fluctuated over speculation around the potential sale of its concessions business.

Turning to fixed income, there were no real laggards with almost all of our holdings contributing positively. The top performers were DCP Midstream, CSC Holdings and UBS Group.

The rapid recovery in risk asset prices has pushed us back into a more conservative posture, with the Fund's overall equity exposure falling (the result of additional equity sells in Q2), while we have increased the credit quality of our corporate bond exposure and shifted into shorter maturities. Much of the capital has found its way into reserves, which have built for the moment. Ironically, within risk assets, it is defensive and quality stocks that have seen the most appreciation, even though their business prospects have not changed much from quarter to quarter. In part, this is due to interest rate declines boosting their valuations. It is also our sense that investors are overcome with uncertainty and are hiding in quality. We see this playing out across asset classes. As a result, on balance, we are seeing better risk rewards in more cyclical businesses and even such deep value areas as European banks (both in their equities and debt). We have been mindful, however, of not wanting to add too much capital to this risk factor and have been managing exposure across asset classes.

### Giorgio Caputo Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

	Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
				'000	£'000	£'000
AUSTRIA	Mayr Melnhof Karton	1	EUR	73	68	0.27
				73	68	0.27
BERMUDA	Hongkong Land Holdings	28	USD	147	143	0.56
	Mandarin Oriental International	115	USD	184	161	0.63
				331	304	1.19
CANADA	Agnico Eagle Mines	3	USD	93	115	0.45
	Barrick Gold	10	CAD	102	124	0.48
	Franco-Nevada	2	CAD	86	106	0.41
				281	345	1.34
CURACAO	Schlumberger	4	USD	148	139	0.54
				148	139	0.54
DENMARK	ISS	6	DKK	144	138	0.54
				144	138	0.54
FRANCE	Bouygues	4	EUR	122	125	0.49
	Bureau Veritas	5	EUR	79	89	0.35
	Cie de Saint-Gobain	5	EUR	174	160	0.62
	Danone	5	EUR	304	355	1.38
	Elior Group	15	EUR	167	159	0.62
	Publicis Groupe	3	EUR	115	104	0.41
	Sanofi	3	EUR	194	221	0.86
	Total	5	EUR	224	230	0.90
				1,379	1,443	5.63
GERMANY	Allianz	2	EUR	284	325	1.27
	Daimler	3	EUR	141	113	0.44
	HeidelbergCement	5	EUR	305	289	1.13
	Telefonica Deutschland Holding	54	EUR	120	117	0.46
				850	844	3.30
GREAT BRITAIN	Compass Group	9	GBP	145	168	0.65
	Diageo	2	GBP	58	74	0.29
	Fresnillo	6	GBP	69	53	0.21
	G4S	86	GBP	209	178	0.69
	GlaxoSmithKline	17	GBP	244	263	1.03
	Lloyds Banking Group	269	GBP	154	153	0.60
	Royal Dutch Shell	9	GBP	209	223	0.86



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description		Quantity	Currency	Acquisition cost	Fair value	Net assets
		'000		£'000	£'000	%
GREAT BRITAIN	Smiths Group	8	GBP	113	127	0.49
continued	Unilever	3	GBP	108	128	0.50
				1,309	1,367	5.32
HONG KONG	Hang Lung Properties	161	HKD	274	303	1.18
	Hysan Development	29	HKD	115	118	0.46
				389	421	1.64
IRELAND	Linde	1	USD	62	83	0.32
				62	83	0.32
ITALY	Intesa Sanpaolo	99	EUR	230	167	0.65
				230	167	0.65
JAPAN	FANUC	1	JPY	71	73	0.28
	KDDI	16	JPY	298	320	1.25
	Sekisui House	23	JPY	292	298	1.16
				661	691	2.69
JERSEY	WPP	6	GBP	63	56	0.22
				63	56	0.22
NETHERLANDS	Altice Europe	16	EUR	31	46	0.18
	Sligro Food	7	EUR	227	192	0.75
				258	238	0.93
NORWAY	Orkla	7	NOK	44	51	0.20
				44	51	0.20
PORTUGAL	NOS	27	EUR	120	138	0.54
				120	138	0.54
SINGAPORE	Frasers Commercial Trust	263	SGD	203	256	1.00
				203	256	1.00
SWEDEN	Investor	2	SEK	65	77	0.30
	Loomis	3	SEK	69	74	0.29
				134	151	0.59
SWITZERLAND	Cie Financiere Richemont	2	CHF	96	120	0.47
	Julius Baer Group	4	CHF	136	153	0.60
	Kuehne + Nagel International	1	CHF	117	127	0.49
	Nestle	4	CHF	233	321	1.25
	Pargesa Holding	2	CHF	134	137	0.53
	SGS	-	CHF	69	76	0.30
				785	934	3.64



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

	Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
				'000	£'000	£'000
TAIWAN	Taiwan Semiconductor Manufacturing	4	USD	128	125	0.49
				128	125	0.49
UNITED STATES	3M	1	USD	195	176	0.69
	Air Products & Chemicals	1	USD	139	169	0.66
	BB&T	7	USD	252	260	1.01
	Chevron	1	USD	122	128	0.50
	Colgate-Palmolive	2	USD	90	102	0.40
	Columbia Property Trust	14	USD	217	223	0.86
	DCP Midstream 7.95%	5	USD	94	102	0.40
	Duke Energy	2	USD	139	158	0.62
	Exxon Mobil	3	USD	170	166	0.65
	Facebook	1	USD	123	146	0.57
	Honeywell International	1	USD	119	138	0.54
	International Flavors & Fragrances	2	USD	166	173	0.67
	JBG SMITH Properties	5	USD	120	145	0.56
	Maxim Integrated Products	2	USD	75	78	0.30
	Microsoft	3	USD	205	306	1.19
	Newmont Goldcorp	4	USD	101	113	0.44
	Omnicom Group	2	USD	123	150	0.58
	Oracle	8	USD	262	342	1.33
	Pfizer	7	USD	217	256	1.00
	Philip Morris International	3	USD	204	195	0.76
	Phillips 66	2	USD	148	149	0.58
	Rockwell Automation	1	USD	152	153	0.60
	Royal Gold	1	USD	92	114	0.44
	Sysco	1	USD	57	62	0.24
	Texas Instruments	2	USD	132	153	0.60
	Tiffany	2	USD	127	128	0.50
	Verizon Communications	3	USD	112	129	0.50
	Weyerhaeuser	15	USD	338	297	1.16
	Xilinx	1	USD	62	75	0.29
				4,353	4,786	18.64
	<b>Transferable securities admitted to an official stock exchange listing - equities</b>			<b>11,945</b>	<b>12,745</b>	<b>49.68</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

	Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
				'000	£'000	£'000
JERSEY	ETFs Physical Gold	5	USD	480	555	2.16
				480	555	2.16
<b>Transferable securities admitted to an official stock exchange listing - warrants</b>				<b>480</b>	<b>555</b>	<b>2.16</b>
FRANCE	Altice France 8.125% 01/02/2027	250	USD	197	206	0.80
				197	206	0.80
GREAT BRITAIN	BAT International Finance 3.95% 15/06/2025	250	USD	186	204	0.80
	Vodafone Group 4.125% 30/05/2025	400	USD	310	334	1.30
	Vodafone Group 7% 04/04/2079	150	USD	122	128	0.50
				618	666	2.60
ITALY	Telecom Italia SpA 5.303% 30/05/2024	400	USD	316	328	1.28
				316	328	1.28
SWITZERLAND	Credit Suisse Group 7.25%/perpetual	200	USD	151	170	0.66
	UBS Group Funding Switzerland 6.875%/perpetual	200	USD	150	169	0.66
				301	339	1.32
UNITED STATES	Aramark Services 5% 01/02/2028	400	USD	281	323	1.26
	Ball 4% 15/11/2023	300	USD	229	246	0.96
	CCO Holdings Capital 5.5% 01/05/2026	400	USD	284	330	1.29
	Central Garden & Pet 5.125% 01/02/2028	550	USD	398	427	1.66
	CVS Health 3.35% 09/03/2021	250	USD	189	200	0.78
	DaVita 5% 01/05/2025	300	USD	205	234	0.91
	HCA 4.75% 01/05/2023	350	USD	286	295	1.15
	JBS USA Finance 6.75% 15/02/2028	300	USD	207	257	1.00
	JPMorgan Chase & Co 3.207% 01/04/2023	300	USD	234	241	0.94
	Pilgrim's Pride 5.75% 15/03/2025	300	USD	224	242	0.94
	Pilgrim's Pride 5.875% 30/09/2027	100	USD	75	82	0.32
	Plastipak Holdings 6.25% 15/10/2025	250	USD	175	179	0.70
	Post Holdings 5.5% 01/03/2025	250	USD	190	205	0.80
	Service Corp International 4.625% 15/12/2027	500	USD	344	406	1.58



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
	'000		£'000	£'000	%
UNITED STATES Spectrum Brands 5.75% 15/07/2025	150	USD	108	123	0.48
continued Tenet Healthcare 4.5% 01/04/2021	200	USD	157	161	0.63
Tenet Healthcare 4.625% 15/07/2024	300	USD	228	240	0.94
Time Warner Cable LLC 5% 01/02/2020	100	USD	76	80	0.31
United States Treasury Note/Bond 1.25% 31/08/2019	200	USD	157	157	0.61
United States Treasury Note/Bond 2.25% 31/03/2020	956	USD	670	755	2.94
United States Treasury Note/Bond 2.5% 28/02/2021	500	USD	376	399	1.56
United States Treasury Note/Bond 2.875% 31/10/2020	231	USD	181	184	0.72
US Foods 5.875% 15/06/2024	650	USD	491	529	2.06
Viacom 6.25% 28/02/2057	150	USD	118	122	0.48
Wells Fargo & Co 2.625% 22/07/2022	300	USD	230	238	0.93
			6,113	6,655	25.95
<b>Transferable securities admitted to an official stock exchange listing - bonds</b>			<b>7,545</b>	<b>8,194</b>	<b>31.95</b>
<b>Transferable securities admitted to an official stock exchange listing</b>			<b>19,970</b>	<b>21,494</b>	<b>83.79</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### B) Other transferable securities dealt on an other regulated market

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets	
			£'000	£'000	%	
ITALY	Intesa Sanpaolo SpA 7.7%/perpetual	350	USD	262	272	1.06
				262	272	1.06
LUXEMBOURG	JBS USA LUX / JBS USA Food Co / JBS USA Finance 6.5% 15/04/2029	125	USD	95	107	0.42
				95	107	0.42
UNITED STATES	Bank of America 5.125%/perpetual	150	USD	119	119	0.46
	Berry Global Escrow 4.875% 15/07/2026	400	USD	316	323	1.26
	CSC Holdings 5.375% 01/02/2028	300	USD	202	245	0.95
	DCP Midstream LP 7.375%/perpetual	350	USD	248	268	1.04
	Ingles Markets 5.75% 15/06/2023	250	USD	179	202	0.79
	Live Nation Entertainment 5.625% 15/03/2026	500	USD	355	414	1.61
	Sotheby's 4.875% 15/12/2025	500	USD	374	404	1.57
				1,793	1,975	7.68
<b>Other transferable securities dealt on an other regulated market - bonds</b>				<b>2,150</b>	<b>2,354</b>	<b>9.16</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### C) Other transferable securities

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
	'000		£'000	£'000	%
UNITED STATES Energizer Holdings 6.375% 15/07/2026	250	USD	187	204	0.80
Performance Food Group 5.5% 01/06/2024	500	USD	357	404	1.57
			544	608	2.37
<b>Other transferable securities - bonds</b>			<b>544</b>	<b>608</b>	<b>2.37</b>
<b>Investments in Transferable securities</b>			<b>22,664</b>	<b>24,456</b>	<b>95.32</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### D) OTC financial derivative instruments: open foreign currency contracts

Maturity	Counterparty	Currency	Purchased	Currency	Sold	Fair value	Net assets
			'000		'000	£'000	%
01.07.2019	RBC Investor Services Luxembourg	GBP	1	USD	(1)	-	-
18.09.2019	Goldman Sachs	USD	1,520	EUR	(1,338)	(10)	(0.04)
<b>Total as at 30 June 2019</b>						<b>(10)</b>	<b>(0.04)</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
United States	54.64	54.28
Great Britain	7.92	7.01
France	6.43	6.37
Switzerland	4.96	6.19
Germany	3.30	3.05
Italy	2.99	1.97
Japan	2.69	3.01
Jersey	2.38	2.60
Hong Kong	1.64	2.57
Canada	1.34	2.29
Bermuda	1.19	1.33
Singapore	1.00	0.93
Netherlands	0.93	2.60
Sweden	0.59	1.10
Portugal	0.54	0.45
Curacao	0.54	0.29
Denmark	0.54	0.96
Taiwan	0.49	-
Luxembourg	0.42	-
Ireland	0.32	-
Austria	0.27	0.30
Norway	0.20	-
Belgium	-	0.30
Indonesia	-	0.17
Total investments at fair value through profit or loss	95.32	97.77
Open foreign currency contracts	(0.04)	-
Total investments at fair value through profit or loss	95.28	97.77
Other net assets	4.72	2.23
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>

% PEA eligible holding as at 30 June 2019 was 23.93% (2018: 24.11%).  
("PEA" stands for Plan d'Épargne en Actions and is applicable to French investors).



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018
	%	%
Holding and finance companies	13.98	19.92
News transmission	7.86	6.13
Food and distilleries	7.76	5.70
Banks and financial institutions	6.91	5.04
States provinces and municipalities	5.83	5.07
Healthcare education and social services	5.56	4.25
Real estate companies	5.32	6.15
Petrol	4.03	5.10
Consumer goods	4.03	5.71
Construction and building material	3.40	3.84
Pharmaceuticals and cosmetics	3.31	1.95
Internet software	3.09	2.97
Leisure	2.89	4.73
Retail	2.04	1.76
Package and container industry	1.93	1.26
Business houses	1.81	0.50
Precious metals	1.81	0.91
Graphic art and publishing	1.75	1.87
Electronic semiconductor	1.68	1.15
Other services	1.53	2.31
Aerospace technology	1.38	0.91
Insurance	1.27	1.21
Agriculture and fishing	1.26	1.01
Tobacco and spirits	1.05	1.73
Electronics and electrical equipment	0.88	0.69
Transportation	0.78	1.51
Chemicals	0.66	0.20
Miscellaneous	0.46	0.69
Automobile industry	0.44	0.61
Mines and heavy industries	0.41	0.31
Non-ferrous metals	0.21	0.24
Mechanics and machinery	-	1.34
Public services	-	1.00
Total investments at fair value through profit or loss	95.32	97.77
Open foreign currency contracts	(0.04)	-
Total investments at fair value through profit or loss	95.28	97.77
Other net assets	4.72	2.23
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£

### PURCHASES

United States Treasury Note/Bond 2.5% 28/02/2021	500	376
Sotheby's 4.875% 15/12/2025	500	374
Berry Global Escrow 4.875% 15/07/2026	400	316
Telecom Italia SpA 5.303% 30/05/2024	400	316
Vodafone Group 4.125% 30/05/2025	400	310
US Foods 5.875% 15/06/2024	400	310
HCA 4.75% 01/05/2023	350	286
Intesa Sanpaolo SpA 7.7%/ perpetual	350	262
JPMorgan Chase & Co 3.207% 01/04/2023	300	234
Wells Fargo & Co 2.625% 22/07/2022	300	230
Ball 4% 15/11/2023	300	229
Tenet Healthcare 4.625% 15/07/2024	300	228
Credit Suisse Group 7.25%/ perpetual	300	227
Central Garden & Pet 5.125% 01/02/2028	300	213
Altice France 8.125% 01/02/2027	250	197
CVS Health 3.35% 09/03/2021	250	189
Energizer Holdings 6.375% 15/07/2026	250	187
Precision Drilling 7.125% 15/01/2026	250	186
BAT International Finance 3.95% 15/06/2025	250	186

Security name	Quantity	Cost
	'000	£

### PURCHASES

International Flavors & Fragrances	2	169
Julius Baer Group	5	169
Tiffany	2	160
Tenet Healthcare 4.5% 01/04/2021	200	157
United States Treasury Note/Bond 1.25% 31/08/2019	200	157
Lloyds Banking Group	271	155
Orkla	25	149
Bouygues	5	143
Air Products & Chemicals	1	142
Pargesa Holding	2	139
Telefonica Deutschland Holding	55	136
Taiwan Semiconductor Manufacturing	4	128
Chevron	1	124
Vodafone Group 7% 04/04/2079	150	122
Honeywell International	1	121
Kuehne + Nagel International	1	119
Bank of America 5.125%/ perpetual	150	119
Viacom 6.25% 28/02/2057	150	118
ETFS Physical Gold	1	118

The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019 (continued)

Security name	Quantity	Proceeds
	'000	£
<b>SALES</b>		
ACCO Brands 5.25% 15/12/2024	500	390
Precision Drilling 7.125% 15/01/2026	500	389
Berry Global 4.5% 15/02/2026	400	307
UBS Group Funding Switzerland 6.875%/perpetual	300	268
Credit Suisse Group 6.25%	300	229
JPMorgan Chase 4.625%	300	223
OI European Group 4% 15/03/2023	250	188
Intesa Sanpaolo 5.017% 26/06/2024	250	188
Energizer Gamma Acquisition 6.375% 15/07/2026	250	187
Aramark Services 5% 01/02/2028	200	158
CSC Holdings 5.375% 01/02/2028	200	158
Altice Luxembourg 7.75% 15/05/2022	200	157
CCO Holdings Capital 5.5% 01/05/2026	200	156
Altice France 6.25% 15/05/2024	200	155
DCP Midstream LP 7.375%/ perpetual	200	153
DaVita 5% 01/05/2025	200	149
Verizon Communications	3	148
Azimut Holding	11	143
Flowserve	4	137
Nestle	2	128

Security name	Quantity	Proceeds
	'000	£
<b>SALES</b>		
Hopewell Holdings	34	127
Deere	1	127
Berkeley Group Holdings	3	125
Orkla	18	124
Diageo	4	123
PPL	4	102
Apergy 6.375% 01/05/2026	125	102
TransAlta Renewables	15	99
Loomis	3	98
Microsoft	1	96
ISS	4	93
Royal Dutch Shell - Class B	4	90
ConocoPhillips	2	87
Credit Suisse Group 7.25%/ perpetual	100	83
Investor	2	78
Unilever	2	75
Spectrum Brands 5.75% 15/07/2025	100	74

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.



# JOHCM Concentrated Global Share Fund\*

A sub-fund of J O Hambro Capital Management  
Umbrella Fund plc  
(launched 30 November 2018)



**Ashley Pittard**  
**Head of Global Equities**

Ashley joined Pandal Group in May 2016 and has 24 years industry experience

\*JOHCM Concentrated Global Share Fund is sub-advised by Pandal Group which is a parent company of J O Hambro Capital Management.

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## INVESTMENT MANAGEMENT REPORT

for the financial period ended 30 June 2019

### Performance

The JOHCM Concentrated Global Share Fund returned 13.97%, net of fees and in sterling terms for the 'A' share class, for the six-month period to 30 June 2019. Over the same period, the MSCI World Index (12pm adjusted) returned 17.81%.

### Investment background

Global stock markets climbed sharply over the period on the back of expectations for more accommodative central bank policies. This allowed investors to shrug off an escalation in trade tensions between the US and China, emerging trade issues between the US and Mexico, continued Brexit uncertainty and weakness in global economic data. Although trade tensions did not dissipate, investors chose to take a more optimistic outlook following the outcome of the G20 meetings which took place in the last days of the period. While no definitive agreement was concluded, a resumption of US/China trade talks, the absence of additional tariff announcements and the resumption of US technology exports to Huawei appeared to be what markets were hoping for. Global economic data remains subdued, and unsurprisingly the US Federal Reserve opted to leave US rates unchanged, with markets building expectations for an easing this year.

### Fund review

The underperformance of the Fund over the period can be attributed primarily to our large cash holding in a sharply rising market. At the stock level, top performers over the period included Rio Tinto and Analog Devices while Seven & I Holdings and CaixaBank lagged.

We made a number of changes to the portfolio over the period. We sold our position in Restaurant Brands (QSR), Baidu, and Seven & I Holdings (Seven Eleven Japan), while initiating a new position in Facebook.

The Fund's cash weighting has reduced to around 6% from about 10% at the end of 2018. This allocation continues to reflect some concern that the earnings growth and margins implied by consensus estimates appears optimistic for the second half of the year. With a number of macro uncertainties clouding the outlook, we expect future volatility to present opportunities for the Fund, as it enables us to either add to existing positions or initiate new positions. We believe the Fund is positioned to outperform over the longer term.

There remains a high degree of uncertainty regarding the near term outlook. Our focus, though, remains on owning companies that

are equipped with robust business models, have nimble management teams and dominant market shares. We buy these companies when valuations are compelling and when we have the confidence they are able to not only withstand but prosper, regardless of what the economic cycle may have to offer. Our philosophical belief in owning a concentrated portfolio of businesses, rather than having indiscriminate broader market exposure, continues to reflect the way we manage the Fund. Our approach is to generate compelling returns over the long term while retaining a disciplined, yet opportunistic approach to identifying undervalued companies with the fundamental characteristics that will support its long-term performance.

### Ashley Pittard Head of Global Equities

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets	
			£'000	£'000	%	
BELGIUM	Anheuser-Busch InBev	1	EUR	79	90	4.24
	KBC Group	1	EUR	40	37	1.74
				119	127	5.98
FRANCE	Getlink SE	3	EUR	39	44	2.07
	Pernod Ricard	-	EUR	25	29	1.37
	Sanofi	1	EUR	75	72	3.39
	Total	2	EUR	82	82	3.86
				221	227	10.69
GERMANY	Deutsche Boerse	-	EUR	41	45	2.12
				41	45	2.12
GREAT BRITAIN	Liberty Global - Class A	2	USD	40	43	2.03
	Lloyds Banking Group	116	GBP	64	66	3.11
	Rio Tinto	1	GBP	44	62	2.92
				148	171	8.06
HONG KONG	Hong Kong Exchanges and Clearing	3	HKD	70	84	3.96
				70	84	3.96
JAPAN	Japan Exchange Group	3	JPY	46	41	1.93
				46	41	1.93
NETHERLANDS	Heineken Holding	-	EUR	30	36	1.70
				30	36	1.70
SPAIN	CaixaBank	12	EUR	40	28	1.32
				40	28	1.32



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### A) Transferable securities admitted to an official stock exchange listing (continued)

Description	Quantity	Currency	Acquisition cost	Fair value	Net assets
			£'000	£'000	%
UNITED STATES					
Alphabet	-	USD	83	81	3.81
Analog Devices	1	USD	76	96	4.52
BlackRock	-	USD	40	44	2.07
Boeing	-	USD	60	63	2.97
CME Group	-	USD	40	41	1.93
Coca-Cola	1	USD	40	42	1.98
Colgate-Palmolive	1	USD	54	61	2.87
Discovery	3	USD	66	65	3.06
Exxon Mobil	1	USD	52	51	2.40
Facebook	-	USD	55	56	2.64
Howard Hughes	-	USD	35	42	1.98
Las Vegas Sands	1	USD	30	32	1.51
Merck	1	USD	80	87	4.10
MGM Resorts International	3	USD	65	68	3.20
Norfolk Southern	-	USD	40	46	2.17
Oracle	1	USD	40	48	2.26
Pfizer	2	USD	70	67	3.16
Procter & Gamble	1	USD	40	47	2.21
Texas Instruments	1	USD	48	58	2.73
Union Pacific	1	USD	65	72	3.39
Wells Fargo	2	USD	97	85	4.00
			1,176	1,252	58.96
<b>Transferable securities admitted to an official stock exchange listing</b>			<b>1,891</b>	<b>2,011</b>	<b>94.72</b>



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Geographic division of investments

	Net assets 2019	Net assets 2018
	%	%
United States	58.96	50.40
France	10.69	8.70
Great Britain	8.06	7.29
Belgium	5.98	4.72
Hong Kong	3.96	3.65
Germany	2.12	2.04
Japan	1.93	4.08
Netherlands	1.70	1.56
Spain	1.32	1.88
Canada	-	1.88
Cayman Islands	-	0.97
Total investments at fair value through profit or loss	94.72	87.17
Other net assets	5.28	12.83
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>

PEA eligible holding as at 30 June 2019 was 29.87% (2018: 26.19%.)  
("PEA" stands for Plan d'Épargne en Actions and is applicable to French investors).



## SCHEDULE OF INVESTMENTS

as at 30 June 2019

### Economic division of investments

	Net assets 2019	Net assets 2018f
	%	%
Banks and financial institutions	14.13	14.33
Pharmaceuticals and cosmetics	10.65	10.84
Internet software	8.71	7.04
Holding and finance companies	8.05	9.82
Transportation	7.63	5.05
Tobacco and spirits	7.31	5.75
Electronic semiconductor	7.25	5.37
Petrol	6.26	6.28
Consumer goods	5.08	4.61
News transmission	5.09	3.48
Leisure	4.71	4.51
Aerospace technology	2.97	1.99
Non-ferrous metals	2.92	2.25
Food and distilleries	1.98	2.04
Real estate companies	1.98	1.61
Retail	-	2.20
Total investments at fair value through profit or loss	94.72	87.17
Other net assets	5.28	12.83
<b>Total net assets attributable to redeemable participating shareholders</b>	<b>100.00</b>	<b>100.00</b>



## SIGNIFICANT PORTFOLIO CHANGES

for the financial period ended 30 June 2019

Security name	Quantity	Cost
	'000	£
<b>PURCHASES*</b>		
Facebook	-	55
Getlink	3	39
Discovery	1	26
Boeing	-	20
Anheuser-Busch InBev	-	18
Wells Fargo	-	17
Sanofi	-	14
Rio Tinto	-	12
Analog Devices	-	11
Texas Instruments	-	8
Exxon Mobil	-	7
Japan Exchange Group	1	6
Colgate-Palmolive	-	4
Alphabet	-	3

\* Represents total purchases during the year.

The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.

Security name	Quantity	Proceeds
	'000	£
<b>SALES</b>		
Restaurant Brands International	1	47
Seven & i Holdings	1	31
Baidu	-	12
Rio Tinto	-	10

\* Represents total sales during the year.

The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of sales for the financial period is less than 20, then a minimum of 20 sales will be disclosed.





# Notes to the Financial Statements

J O Hambro Capital Management  
Umbrella Fund plc

# Notes to the Financial Statements

for the financial period ended 30 June 2019

## 1 Establishment and organisation

The Company is an open-ended umbrella type investment company with variable capital and limited liability organised under the laws of Ireland and authorised by the Central Bank pursuant to the provisions of Part 24 of the Companies Act 2014, as amended, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the "UCITS Regulations 2011") and to the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the "Central Bank UCITS Regulations 2015"). The Company's share capital is at all times equal to its Net Asset Value. The Company was incorporated on 3 July 2001.

The Company comprises distinct sub-funds. The assets of a sub-fund are invested separately in accordance with the investment objectives and policies of that sub-fund which are set out in a supplement to the Prospectus. As at 30 June 2019 the Company had seventeen active sub-funds, all denominated in GBP:

- JOHCM Continental European Fund
- JOHCM UK Growth Fund
- JOHCM European Select Values Fund
- JOHCM Japan Fund
- JOHCM Global Select Fund
- JOHCM Emerging Markets Fund
- JOHCM Global Emerging Markets Opportunities Fund
- JOHCM UK Dynamic Fund
- JOHCM Concentrated Global Share Fund
- JOHCM Asia ex-Japan Fund
- JOHCM Asia ex-Japan Small and Mid-Cap Fund
- JOHCM Global Opportunities Fund
- JOHCM Japan Dividend Growth Fund
- JOHCM US Small Mid Cap Equity Fund
- JOHCM European Concentrated Value Fund
- JOHCM Global Smaller Companies Fund
- JOHCM Global Income Builder Fund

The primary investment objective of the Company is to seek long-term capital growth and it aims to achieve this as follows:

### JOHCM Continental European Fund

The Fund aims to achieve its objective by investing in equity securities of companies domiciled or exercising the predominant part of their economic activities in Europe, excluding the UK.

### JOHCM UK Growth Fund

The Fund aims to achieve its objective by investing in solid, well managed companies domiciled or exercising the predominant part of their economic activities in the UK, capable of generating growth throughout the economic cycle.

### JOHCM European Select Values Fund

The Fund aims to achieve its objective by investing in equity securities of companies domiciled or exercising the predominant part of their economic activities in Europe which are listed on European Exchanges or a Recognised Exchange.

### JOHCM Japan Fund

The Fund aims to achieve its objective by investing in Japanese equities, listed on the principal stock markets of Japan or other Recognised Markets.

### JOHCM Global Select Fund

The Fund aims to achieve its objective by investing in a concentrated portfolio of global securities.

### JOHCM Emerging Markets Fund

The Fund aims to achieve its objective by investing in a portfolio of equity securities of companies in emerging markets around the world.

### JOHCM Global Emerging Markets Opportunities Fund

The Fund aims to achieve its objective by investing in, both direct and indirect, a diversified portfolio of emerging market equity securities.

### JOHCM Asia ex-Japan Fund

The Fund aims to achieve long-term capital appreciation through investment, both direct and indirect, in a diversified portfolio of Asia ex-Japan equity securities.

### JOHCM Asia ex-Japan Small and Mid-Cap Fund

The Fund aims to achieve long-term capital appreciation through investment, both direct and indirect, in a diversified portfolio of Asia ex-Japan Small and Mid Cap equity securities.

### JOHCM Global Opportunities Fund

The Fund aims to achieve long-term total return by investing in a concentrated portfolio of global equity securities. It is anticipated that the Fund's portfolio will comprise fewer than 50 holdings.

### JOHCM Japan Dividend Growth Fund

The Fund aims to achieve its objective by investing entirely in equity securities of companies which are listed on the principal stock markets of Japan, the majority of which will be securities contained in the Index (Topix TR). At no time will less than half of the Fund's total net assets be invested in securities contained in the Index (Topix TR).

### JOHCM US Small Mid Cap Equity Fund

The Fund aims to achieve its objective by investing in a portfolio of equity securities of smaller and mid-sized capitalisation companies domiciled in the United States.

### JOHCM European Concentrated Value Fund

The Fund aims to achieve long-term capital appreciation, through investment in equity securities of companies domiciled or exercising the predominant part of their economic activities in Europe, which are listed on European exchanges or a Recognised Exchange.

### JOHCM Global Smaller Companies Fund

The Fund aims to achieve long-term capital appreciation by investing in a portfolio of equity securities of smaller and mid-sized capitalisation companies domiciled in the global market.

### JOHCM UK Dynamic Fund

The Fund aims to achieve long-term capital appreciation and outperform the Index net of fees by investing in stocks where ongoing corporate change creates an asymmetric risk/reward profile.

## 1 Establishment and organisation (continued)

### JOHCM Global Income Builder Fund

The Fund aims to offer regular income generation consistent with long term capital growth by applying an investment process based on fundamental analysis.

### JOHCM Concentrated Global Share Fund

The Fund aims to achieve long-term capital growth by investing in a concentrated portfolio of global equity securities.

## 2 Principal accounting policies

The Company's condensed financial statements have been prepared in compliance with FRS 104 as it applies to the financial statements of the Company for the financial period ended 30 June 2019.

### Significant accounting policies

The same accounting policies, presentation and methods of computation are followed in these condensed financial statements as were applied in the preparation of the Company's financial statements for the financial year ended 31 December 2018.

## 3 Financial instruments at fair value through profit or loss

	Fair value 30 June 2019	Fair value 31 Dec 2018
	£'000	£'000
<b>Financial assets held for trading</b>		
Equities	6,608,597	6,812,671
Investment Funds	37,626	24,285
Warrants	1,849	4,400
Bonds	11,472	7,860
<b>Investments in transferable securities</b>	<b>6,659,544</b>	<b>6,849,216</b>
Options	2,211	22,157
Forward Currency Contracts	64	717
<b>Investments in derivatives</b>	<b>2,275</b>	<b>22,874</b>
<b>Total financial assets</b>	<b>6,661,819</b>	<b>6,872,090</b>
<b>Financial liabilities held for trading</b>		
Forward Currency Contracts	(124)	(420)
<b>Investments in derivatives</b>	<b>(124)</b>	<b>(420)</b>
<b>Total financial liabilities</b>	<b>(124)</b>	<b>(420)</b>

## 4 Taxation

Under current Irish law and practice the Company qualifies as an investment undertaking under Section 739B of the Taxes Consolidation Act, 1997 and is not therefore chargeable to Irish tax on its relevant income or relevant gains. No stamp, transfer or registration tax is payable in Ireland on the issue, redemption or transfer of shares in

the Company. Distributions and interest on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not be able to benefit from a reduction in the rate of withholding tax by virtue of the double taxation agreement in operation between Ireland and other countries. The Company may not, therefore, be able to reclaim withholding tax suffered by it in particular countries.

Following legislative changes in the Finance Act 2006, the holding of shares at the end of a relevant period will, in respect of Irish resident investors, also constitute a chargeable event. To the extent that any tax issues arise on such a chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant shares.

Relevant period is defined as a period of eight financial periods beginning with the acquisition of a share by a Shareholder and each subsequent period of eight financial periods beginning immediately after the preceding relevant period.

Dividends received from investment in Irish equities may be subject to Irish dividend withholding tax (currently at the rate of 20%). However, the Company can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends to avoid this withholding tax. The Company is not required to deduct dividend withholding tax on dividend payments to Shareholders provided the Shareholder has completed the relevant declaration. It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that the Company will be regarded as Resident in Ireland for tax purposes.

## 5 Share capital

On incorporation the authorised share capital of the Company was Euro 40,000 divided into 40,000 Subscriber shares of one Euro each and 800,000,000 Redeemable Participating Shares of no par value. As only redeemable participating shares can represent an interest in a sub-fund, the subscriber shares have no entitlement or interest in such sub-funds. Please refer to notes 16 and 17 for updates relating to the authorised share capital of the Company during the period and subsequent to the period end.

### Subscriber Shares

40,000 subscriber shares were issued to J O Hambro Capital Management Limited or its nominees to comply with the requirements of the Companies Act.

J O Hambro Capital Management Limited redeemed 39,993 of these subscriber shares on 22 November 2001. The remaining seven subscriber shares are fully paid up.

Each holder of subscriber shares is entitled to attend and vote at any General Meeting except that any holder of subscriber shares is not entitled to vote at any such General Meeting at any time that more than one Shareholder holds participating shares in issue. The subscriber shares do not form part of the net asset value of the Company and are thus disclosed in the financial statements by way of this note only.

## 5 Share capital (continued)

### Subscriber Shares (continued)

In the opinion of the Directors, this disclosure reflects the nature of the Company's business as an investment fund.

The rights attached to any class of share may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of 75% of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

### Redeemable Participating Shares

The issued redeemable participating share capital is at all times equal to the net asset value of the Company. The movement in the number of participating shares is shown in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.

### Capital Management Policies

The Company may from time to time by ordinary resolution increase its capital, consolidate and divide its shares into shares of a larger amount or subdivide its shares into shares of a smaller amount or cancel any shares not taken or agreed to be taken by any person. The Company may by special resolution from time to time reduce its share capital in any way permitted by law.

## 6 Operating expenses

### Investment management and performance fees

The following table provides detail of the investment management fee rate applied to each share class of each sub-fund:

Sub-fund	Share class	Investment management fee
		%
JOHCM Continental European Fund	GBP Class A Shares	0.75%
	EUR Class A Shares	0.75%
	USD Hedged Class A Shares	0.75%
	GBP Hedged Class A Shares	0.75%
	GBP Class B Shares	1.25%
	EUR Class B Shares	1.25%
	USD Hedged Class B Shares	1.25%
	GBP Y Shares	0.625%
	EUR Y Shares	0.625%
	GBP Hedged X Shares	0.55%
GBP Hedged Y Shares	0.625%	
JOHCM UK Growth Fund	GBP Class A Shares	0.75%
	GBP Class B Shares	1.25%
JOHCM European Select Values Fund	GBP Class A Shares	0.75%
	EUR Class A Shares	0.75%
	GBP Class B Shares	1.25%
	EUR Class B Shares	1.25%
	EUR X Shares	1.50%
	EUR Non - Distributing Class	1.25%

Sub-fund	Share class	Investment management fee
		%
JOHCM Japan Fund	GBP Class A Shares	0.75%
	GBP Hedged Class A Shares	0.75%
	EUR Class A Shares	0.75%
	JPY Class A Shares	0.75%
	GBP Class B Shares	1.25%
	GBP Hedged Class B Shares	1.25%
	EUR Class B Shares	1.25%
	JPY Class B Shares	1.25%
JOHCM Global Select Fund	GBP Class A Shares	0.75%
	EUR Class A Shares	0.75%
	USD Class A Shares	0.75%
	GBP Class B Shares	1.50%
	EUR Class B Shares	1.50%
	USD Class B Shares	1.50%
	EUR Non - Distributing Class <sup>1</sup>	1.25%
JOHCM Emerging Markets Fund	GBP Class A Shares	0.90%
	EUR Class A Shares	0.90%
	USD Class A Shares	0.90%
	GBP Class B Shares	1.50%
	EUR Class B Shares	1.50%
	USD Class B Shares	1.50%
	GBP Y Shares	0.80%
JOHCM Global Emerging Markets Opportunities Fund	GBP Class A Shares	0.90%
	EUR Class A Shares	0.90%
	USD Class A Shares	0.90%
	GBP Class B Shares	1.50%
	EUR Class B Shares	1.50%
	USD Class B Shares	1.50%
	GBP Y Shares	0.75%
USD Y Shares	0.75%	
JOHCM Asia ex-Japan Fund	GBP Class A Shares	0.90%
	EUR Class A Shares	0.90%
	USD Class A Shares	0.90%
	GBP Class B Shares	1.50%
	EUR Class B Shares	1.50%
	USD Class B Shares	1.50%
	USD Class Z Shares <sup>2^</sup>	-
JOHCM Asia ex-Japan Small and Mid-Cap Fund	GBP Class A Shares	0.90%
	EUR Class A Shares	0.90%
	USD Class A Shares	0.90%
	GBP Class B Shares	1.50%
	EUR Class B Shares	1.50%
	USD Class B Shares	1.50%

<sup>1</sup> This share class was terminated on 16 April 2019.

<sup>2</sup> This share class was launched on 12 February 2019.

<sup>^</sup> The Investment Management Fee will be negotiated separately with the Investment Manager and not charged to the Fund.

**6 Operating expenses (continued)**

Sub-fund	Share class	Investment management fee
		%
JOHCM Global Opportunities Fund	GBP Class A Shares	0.75%
	EUR Class A Shares	0.75%
	USD Class A Shares	0.75%
	GBP Class B Shares	1.50%
	EUR Class B Shares	1.50%
	USD Class B Shares	1.50%
	GBP X Shares	0.625%
	GBP Hedged X Shares	0.625%
	EUR X Shares <sup>3</sup>	0.625%
	EUR Class Z Shares <sup>4^</sup>	-
JOHCM Japan Dividend Growth Fund	GBP Class A Shares	0.625%
	GBP Hedged Class A Shares	0.625%
	USD Class A Shares	0.625%
	USD Hedged Class A Shares	0.625%
	EUR Class B Shares	1.25%
	GBP Shares	0.25%
JOHCM US Small Mid Cap Equity Fund	GBP Class A Shares	0.75%
	EUR Class A Shares	0.75%
	USD Class A Shares	0.75%
	EUR Class B Shares	1.50%
	USD Class B Shares	1.50%
	USD Shares	0.25%
JOHCM European Concentrated Value Fund	EUR Class A Shares	0.75%
	EUR Class B Shares	1.25%
	USD Class B Shares	1.25%
	SGD Hedged Class B Shares	1.25%
	EUR Class Z Shares <sup>5^</sup>	-
JOHCM Global Smaller Companies Fund	USD Class A Shares	0.75%
JOHCM UK Dynamic Fund	GBP Class A	0.75%
	GBP Y Shares	0.625%
JOHCM Global Income Builder Fund*	GBP Class A Shares	0.65%
	EUR Class A Shares	0.65%
	USD Class A Shares <sup>6</sup>	0.65%
	EUR Class B Shares	1.75%
	GBP Seed Shares	0.25%
	SGD Class A Shares <sup>6</sup>	0.65%
JOHCM Concentrated Global Share Fund	GBP Class A Shares	0.75%

<sup>3</sup> This share class was launched on 25 April 2019.

<sup>4</sup> This share class was launched on 10 May 2019.

<sup>5</sup> This share class was launched on 25 April 2019.

<sup>6</sup> This share class was launched on 04 April 2019.

<sup>^</sup> The Investment Management Fee will be negotiated separately with the Investment Manager and not charged to the Fund.

Investment Management fees for Z class shares are negotiated separately with the Investment Manager and not charged to the respective sub-fund.

The Investment Manager has voluntarily agreed to waive a portion of its fees and/or reimburse certain expenses in respect of individual sub-funds so that the total expenses of those sub-funds will not exceed voluntary expense limitations established for each respective sub-fund. The Investment Manager, at its discretion, may revise or discontinue the voluntary waivers and/or expense reimbursements at any time. For the financial period ended 30 June 2019 and 30 June 2018, the Investment Management fees waived and reimbursed were as follows:

Sub-fund	30 June 2019	30 June 2018
	£'000	£'000
JOHCM Emerging Markets Fund	66	45
JOHCM Asia ex-Japan Small and Mid-Cap Fund	35	-
JOHCM Global Opportunities Fund	1	8
JOHCM Japan Dividend Growth Fund	-	2
JOHCM US Small Mid Cap Equity Fund	3	-
JOHCM European Concentrated Value Fund	-	10
JOHCM Global Smaller Companies Fund	28	28
JOHCM UK Dynamic Fund	29	37
JOHCM Global Income Builder Fund	14	11
JOHCM Concentrated Global Share Fund	24	-

Additionally, the Investment Manager receives a performance fee based on the out-performance of each sub-fund's return over an index specific to each sub-fund. The performance fee equates to 15% of the out-performance and is accrued daily and payable annually in arrears in respect of each performance year. The performance year for all sub-funds was the period commencing 1 January 2019 or the inception date if later.

The fund performance in respect of a performance period is the arithmetical difference between the NAV per share on the last business day of the preceding performance period, which reflects the charging of a performance fee, if any, in respect of the previous performance period, and the NAV per share on the last business day of the performance period expressed as a percentage.

**Administration fees**

The Administrator is entitled to an annual fee payable by the Company not exceeding EUR 35,000 per annum per sub-fund with up to 2 share classes and in addition, up to EUR 3,500 per annum for each additional share class plus Domiciliary and Corporate Agent Fees of up to EUR 10,000 per annum for the Company. Such fees are accrued daily and are payable monthly in arrears. The Administrator is also entitled to the payment of fees for acting as Registrar and Transfer Agent and transaction charges (charged at normal commercial rates), based on transactions undertaken by the Company, the number of subscriptions, redemptions, exchanges and transfer of shares processed by the Administrator and time spent on Company shareholder servicing duties and to the reimbursement of operating expenses.

**6 Operating expenses (continued)****Administration fees (continued)**

The Administrator is also entitled to be repaid for all of its out-of-pocket expenses incurred on behalf of the Company, which shall include reasonable legal fees, courier fees, telecommunications and expenses.

**Depository fee**

The Depository shall be entitled to safekeeping fees ranging from 0.003% p.a. to 0.800% p.a. of the Net Asset Value of the Fund depending on the location of the assets held, subject to a minimum fee which will not exceed €5,000 per annum, per Fund and to transaction charges which shall be charged at normal commercial rates. In addition, the Depository shall be entitled to an annual Trustee fee of 0.0225% p.a. up to €500 million of the Net Asset Value and 0.0125% p.a. exceeding €500 million. Such fees shall accrue daily and be payable monthly in arrears. The Depository shall also be entitled to be reimbursed for reasonable out-of-pocket expenses properly incurred by it, including telephone and fax charges, stamp duties, proxy voting and registration fees.

**Directors' remuneration**

The Directors are entitled to a fee in remuneration for their services at a rate to be determined from time to time by the Directors, but so that the aggregate amount of Directors' remuneration in any one financial period shall not exceed EUR 75,000. Helen Vaughan has waived her entitlement to a fee. Directors' fees charged for the financial period ended 30 June 2019 and 30 June 2018 were as follows:

	30 June 2019	30 June 2018
	£'000	£'000
Director fees	25	25
<b>Total</b>	<b>25</b>	<b>25</b>

**Auditors' remuneration**

The accrued amount for work carried out for the Company for the financial period end is as follows:

	30 June 2019	30 June 2018
	£'000	£'000
<b>Audit services (inc VAT)</b>		
Audit fees	64	54
<b>Total</b>	<b>64</b>	<b>54</b>

**Service provider fees**

For the financial period ended 30 June 2019 and 30 June 2018, the service provider fees were as follows:

	30 June 2019	30 June 2018
	£'000	£'000
Administration fees	345	1,160
Depository fees	442	591
Depository oversight fees	271	738
Transfer and domiciliary agency fees	314	503
<b>Total</b>	<b>1,372</b>	<b>2,992</b>

**7 Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or if the party is a member of the key management personnel of the entity or its parent.

The Investment Manager is a related party under this definition. On 30 September 2019, Helen Vaughan is due to retire as Chief Operating Officer of the Investment Manager. She will continue as a Non-executive director of the Company. For the financial period ended 30 June 2019 the Company incurred GBP 29,299,000 (2018: GBP 39,757,000) in total for investment management fees. As discussed in note 6, the Investment Manager is entitled to receive performance fees. For the financial period ended 30 June 2019, the Company accrued GBP 70,000 (2018: GBP 385,000) in total for performance fees.

For the financial period ended 30 June 2019 the Company received GBP 196,000 (2018: GBP 141,000) in total as Reimbursement from the Investment Manager. Refer to note 6 for further details.

Graham Warner, Máire O'Connor and Robert Burke are independent non-executive Directors of J O Hambro Capital Management Umbrella Fund plc. As at 30 June 2019, none of the independent non-executive directors held shares in J O Hambro Capital Management Umbrella Fund plc (2018: nil).

Ms. Vaughan held 8,772 shares in JOHCM Global Select Fund as at 30 June 2019 (31 December 2018: 8,772 shares) and 5,597 shares in JOHCM Emerging Markets Fund as at 30 June 2019 (31 December 2018: 5,597).

Carne Global Financial Services Limited provided fund governance services to the Company during the period. The fees amounted to GBP 33,578 (30 June 2018: GBP 28,457) of which Nil was payable as at 30 June 2019 (30 June 2018: Nil).

**7 Related parties (continued)**

As at 30 June 2019, J O Hambro Capital Management Limited held shares in the Company as follows:

	Opening Shares	Subscription Shares	Monetary '000	Redemption Shares	Monetary '000	Closing Shares
<b>JOHCM Continental European Fund</b>						
Class Y GBP	120.871	2.510	-	-	-	123.381
<b>JOHCM European Select Value Fund</b>						
Class A GBP	32,390.871	37,555.140	£202	(10,796.957)	£(57)	59,149.054
<b>JOHCM Global Select Fund</b>						
Class Z GBP	2,490.554	564,846.018	£1,212	-	-	567,336.572
<b>JOHCM Emerging Markets Fund</b>						
Class Y GBP	107,024.596	1,238.160	£2	(35,417.085)	£(45)	72,845.671
<b>JOHCM Global Emerging Markets Opportunities Fund</b>						
Class A EUR	165,763.070	-	-	-	-	165,763.070
Class B EUR	11,066.473	-	-	-	-	11,066.473
<b>JOHCM Asia ex-Japan Fund</b>						
Class A EUR	144,228.801	-	-	-	-	144,228.801
Class B EUR	11,525.702	-	-	-	-	11,525.702
Class Z GBP	62,109.489	1,455.360	£2	(20,703.163)	£(26)	42,861.686
<b>JOHCM Asia ex-Japan Small and Mid-Cap Fund</b>						
Class A EUR	146,363.393	-	-	-	-	146,363.393
Class A USD	1,224,692.809	-	-	-	-	1,224,692.809
Class B EUR	11,657.253	-	-	-	-	11,657.253
Class B USD	15,722.129	-	-	-	-	15,722.129
Class Z GBP	52,562.758	791.438	£1	(52,158.667)	£(71)	1,195.529
<b>JOHCM Japan Dividend Growth Fund</b>						
Class A USD	211,867.827	-	-	-	-	211,867.827
Class A Hedged USD	207,646.250	-	-	-	-	207,646.250
<b>JOHCM US Small Mid Cap Equity Fund</b>						
Class A GBP	10,000.000	-	-	-	-	10,000.000
Class A EUR	10,000.000	-	-	-	-	10,000.000
Class A USD	10,000.000	-	-	-	-	10,000.000
Class B EUR	10,000.000	-	-	-	-	10,000.000
Class B USD	10,000.000	-	-	-	-	10,000.000
USD Seed	18,255,226.255	-	-	-	-	18,255,226.255
<b>JOHCM European Concentrated Value Fund</b>						
Class A EUR	200,011.128	111,259.009	\$118	(66,638.289)	\$(66)	244,631.848
<b>JOHCM Global Smaller Companies Fund</b>						
Class A USD	4,461,600.000	-	-	-	-	4,461,600.000
<b>JOHCM Global Income Builder Fund*</b>						
Class A EUR	1,235.719	1.782	-	-	-	1,237.501
Class B EUR	1,235.708	1.732	-	-	-	1,237.440

\* JOHCM Global Income Builder Fund launched on 11 April 2018.

## Notes to the Financial Statements (continued)

### 7 Related parties (continued)

As at 31 December 2018, J O Hambro Capital Management Limited held shares in the Company as follows:

	Opening Shares	Subscription Shares	Monetary '000	Redemption Shares	Monetary '000	Closing Shares
<b>JOHCM Continental European Fund</b>						
Class Y GBP	119.161	1.710	-	-	-	120.871
<b>JOHCM European Select Value Fund</b>						
Class A GBP	126,214.469	33,424.732	194	(127,248.330)	(786)	32,390.871
<b>JOHCM Global Select Fund</b>						
Class Z GBP	2,459.007	31.547	-	-	-	2,490.554
<b>JOHCM Emerging Markets Fund</b>						
	54,231.144	106,599.978	143	(53,806.526)	(83)	107,024.596
<b>JOHCM Global Emerging Markets Opportunities Fund</b>						
Class A EUR	165,763.070	-	-	-	-	165,763.070
Class B EUR	11,066.473	-	-	-	-	11,066.473
<b>JOHCM Asia ex-Japan Fund</b>						
Class A EUR	144,228.801	-	-	-	-	144,228.801
Class B EUR	11,525.702	-	-	-	-	11,525.702
Class Z GBP	242,755.545	67,180.024	£101	(247,826.080)	£(14)	62,109.489
<b>JOHCM Asia ex-Japan Small and Mid-Cap Fund</b>						
Class A EUR	146,363.393	-	-	-	-	146,363.393
Class A USD	1,224,692.809	-	-	-	-	1,224,692.809
Class B EUR	11,657.253	-	-	-	-	11,657.253
Class B USD	15,722.129	-	-	-	-	15,722.129
Class Z GBP	207,774.246	2,870.400	£4	(158,081.888)	(91)	52,562.758
<b>JOHCM Japan Dividend Growth Fund</b>						
Class A USD	211,867.827	-	-	-	-	211,867.827
Class A Hedged USD	207,646.250	-	-	-	-	207,646.250
<b>JOHCM US Small Mid Cap Equity Fund</b>						
Class A GBP	10,000.000	-	-	-	-	10,000.000
Class A EUR	10,000.000	-	-	-	-	10,000.000
Class A USD	10,000.000	-	-	-	-	10,000.000
Class B EUR	10,000.000	-	-	-	-	10,000.000
Class B USD	10,000.000	-	-	-	-	10,000.000
USD Seed	18,255,226.255	-	-	-	-	18,255,226.255
<b>JOHCM European Concentrated Value Fund</b>						
Class A EUR	4,070,625.996	199,915.132	\$213	(4,070,530.000)	\$(4,539)	200,011.128
<b>JOHCM Global Smaller Companies Fund</b>						
Class A USD	4,461,600.000	-	-	-	-	4,461,600.000
<b>JOHCM Global Income Builder Fund*</b>						
Class A EUR	-	1,235.719	\$1	-	-	1,235.719
Class B EUR	-	1,235.708	\$1	-	-	1,235.708

\* JOHCM Global Income Builder Fund launched on 11 April 2018.

The Secretary did not hold any shares of the Company during the financial period or at the financial period end (2018: nil).

### 7 Related parties (continued)

#### Connected persons

In accordance with the requirements of UCITS, any transactions carried out with a UCITS by a manager, depositary, investment adviser and/or associated or group companies of these ("connected persons") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the Shareholders.

The Directors confirm that there are arrangements (evidenced by written procedures) in place to ensure that any transactions carried out with the Company by its investment manager, depositary and/or associated or group companies of these ("Connected Persons") are carried out as if negotiated at arm's length and are in the best interests of the Shareholders. The Directors are satisfied that the transactions with Connected Persons during the financial period were carried out as if negotiated at arm's length and in the best interests of the Shareholders.

#### Directors' remuneration

A list of members of the Board of Directors is shown on page 1 of this report. Directors' remuneration is discussed in note 6.

### 8 Risk associated with financial instruments

The sub-funds utilise various methods to value investments measured at fair value on a recurring and non recurring basis.

#### Fair valuation estimation

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement (lowest being Level 3).

Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's management's assumptions, made in good faith, about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The determination of what constitutes "observable" requires significant judgment by the Company's management. Management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Company's management's perceived risk of that instrument.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's management's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. Management uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

The three levels of inputs are defined as follows:

Level 1 - The unadjusted quoted price in active markets for identical assets or liabilities that the entity can access at the measurement date (Level 1);

Level 2 - Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly (Level 2); and

Level 3 - Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability (Level 3).

## 8 Risk associated with financial instruments (continued)

### Fair valuation estimation (continued)

#### Unlisted equities

Unlisted equities are valued at the probable realisation value as determined with care and in good faith by such competent persons as may be appointed by the Directors and approved for the purpose by the Depositary.

#### Transfer between Level 1 and 2

There have been no significant transfers between Level 1 and Level 2 during the financial period ended 30 June 2019 and financial year ended 31 December 2018.

#### Valuation techniques

The fair value of ordinary shares or preference shares that do not have a quoted market price in an active market is reliably measurable if:

- (i) the variability in the range of reasonable fair value estimates is not significant for that asset; or
- (ii) the probabilities of the various estimates within the range can be reasonably assessed and used in estimating fair value.

There are many situations in which the variability in the range of reasonable fair value estimates of assets that do not have a quoted market price is likely not to be significant. Normally it is possible to estimate the fair value of ordinary shares or preference shares that an entity has acquired from an outside party. However, if the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, an entity is precluded from measuring the ordinary shares or preference shares at fair value.

If a reliable measure of fair value is no longer available for an asset measured at fair value (e.g. ordinary shares or preference shares measured at fair value through profit or loss), its carrying amount at the last date the asset was reliably measurable becomes its new cost. The entity shall measure the ordinary shares or preference shares at this cost amount less impairment until a reliable measure of fair value becomes available.

The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control economic hedging transactions in a timely and accurate manner. The Company's accounting policies in relation to derivatives are set out

in note 2 to the financial statements and the Company has a Risk Management Process in place for the use of financial derivative investments which has been approved by the Board and the Central Bank of Ireland.

The Board has engaged Carne Global Financial Services Limited ("Carne") to provide Designated Persons to the Company including the Designated Person that is responsible for Fund Risk Management. Carne ensures that procedures are in place so that all significant risks to the Company can be identified, monitored and managed at all times. Carne reports to the Board quarterly based on the reports supplied by the Company's Investment Manager and Administrator.

Set out below is a description of some of the more important types of risk and an outline of the processes the Investment Manager has implemented to assess, monitor and control these specific risks:

The Company invests in the following financial instruments which are classified under Level 2. These instruments are valued as follows;

#### OTC options

Options contracts are valued at the settlement price as determined by the market in question. If such market price is not available, the value shall be the probable realisation value estimated with care and in good faith by the Directors or such other competent person approved for the purpose by the Depositary.

#### Contracts for Difference

Contracts for Difference are valued by the counterparty at least daily. The valuation must be approved or verified weekly by a third party who is independent of the counterparty and who is approved for the purpose by the Depositary.

Upon entering into contracts for differences, the sub-funds pledge cash (financial assets) collateral against the contracts for differences financial liabilities.

#### Forward contracts

Forward exchange contracts are valued by reference to the price at which a new forward contract of the same size and maturity could be undertaken.

**8 Risk associated with financial instruments (continued)**

The following tables summarise the inputs used to value the sub-funds' financial instruments measured at fair value on a recurring and non-recurring basis as at 30 June 2019:

Assets and liabilities	Total investments 2019 £'000	(Level 1) 2019 £'000	(Level 2) 2019 £'000	(Level 3) 2019 £'000
<b>JOHCM Continental European Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	1,116,640	1,116,640	-	-
<i>Financial liabilities at fair value through profit or loss</i>				
Forward foreign currency contracts	(36)	-	(36)	-
<b>Total</b>	<b>1,116,604</b>	<b>1,116,640</b>	<b>(36)</b>	<b>-</b>
<b>JOHCM UK Growth Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	269,986	269,986	-	-
<b>Total</b>	<b>269,986</b>	<b>269,986</b>	<b>-</b>	<b>-</b>
<b>JOHCM European Select Values Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	1,879,278	1,879,278	-	-
Options	2,211	2,211	-	-
<i>Financial liabilities at fair value through profit or loss</i>				
Forward foreign currency contracts	(1)	-	(1)	-
<b>Total</b>	<b>1,881,488</b>	<b>1,881,489</b>	<b>-</b>	<b>-</b>
<b>JOHCM Japan Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	263,126	263,126	-	-
Forward foreign currency contracts	61	-	61	-
<i>Financial liabilities at fair value through profit or loss</i>				
Forward foreign currency contracts	(1)	-	(1)	-
<b>Total</b>	<b>263,186</b>	<b>263,126</b>	<b>60</b>	<b>-</b>
<b>JOHCM Global Select Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	1,735,599	1,735,599	-	-
<i>Financial liabilities at fair value through profit or loss</i>				
Forward foreign currency contracts	(2)	-	(2)	-
<b>Total</b>	<b>1,735,597</b>	<b>1,735,599</b>	<b>(2)</b>	<b>-</b>
<b>JOHCM Emerging Markets Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	4,817	4,817	-	-
<b>Total</b>	<b>4,817</b>	<b>4,817</b>	<b>-</b>	<b>-</b>
<b>JOHCM Global Emerging Markets Opportunities Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	350,671	350,671	-	-

**8 Risk associated with financial instruments (continued)**

<b>Assets and liabilities</b>	<b>Total investments 2019 £'000</b>	<b>(Level 1) 2019 £'000</b>	<b>(Level 2) 2019 £'000</b>	<b>(Level 3) 2019 £'000</b>
Total	350,671	350,671	-	-
<b>JOHCM Asia ex-Japan Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	126,011	126,011	-	-
Total	126,011	126,011	-	-
<b>JOHCM Asia ex-Japan Small and Mid-Cap Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	15,702	15,386	316	-
Total	15,702	15,386	316	-
<b>JOHCM Global Opportunities Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	365,947	365,947	-	-
Forward foreign currency contracts	1	-	1	-
<i>Financial liabilities at fair value through profit or loss</i>				
Forward foreign exchange contracts	(2)	-	(2)	-
Total	365,946	365,947	(1)	-
<b>JOHCM Japan Dividend Growth Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	29,838	29,838	-	-
Forward foreign currency contracts	2	-	2	-
Total	29,840	29,838	2	-
<b>JOHCM US Small Mid Cap Equity Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	52,376	52,376	-	-
Total	52,376	52,376	-	-
<b>JOHCM European Concentrated Value Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	401,289	401,289	-	-
<i>Financial liabilities at fair value through profit or loss</i>				
Forward foreign currency contracts	(72)	-	(72)	-
Total	401,217	401,289	(72)	-
<b>JOHCM Global Smaller Companies Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	4,300	4,300	-	-
Total	4,300	4,300	-	-
<b>JOHCM UK Dynamic Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	17,497	17,497	-	-
Total	17,497	17,497	-	-

**8 Risk associated with financial instruments (continued)**

Assets and liabilities	Total investments 2019 £'000	(Level 1) 2019 £'000	(Level 2) 2019 £'000	(Level 3) 2019 £'000
<b>JOHCM Global Income Builder Fund*</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	24,456	13,300	11,156	-
<i>Financial liabilities at fair value through profit or loss</i>				
Forward foreign currency contracts	(10)	-	(10)	-
<b>Total</b>	<b>24,446</b>	<b>13,300</b>	<b>11,146</b>	<b>-</b>
<b>JOHCM Concentrated Global Share Fund**</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	2,011	2,011	-	-
<b>Total</b>	<b>2,011</b>	<b>2,011</b>	<b>-</b>	<b>-</b>

\* JOHCM Global Income Builder Fund launched on 11 April 2018.

\*\* JOHCM Concentrated Global Share Fund launched on 30 November 2018.

The following tables summarise the inputs used to value the sub-funds' financial instruments measured at fair value on a recurring and non recurring basis as at 31 December 2018:

Assets and liabilities	Total investments 2018 £'000	(Level 1) 2018 £'000	(Level 2) 2018 £'000	(Level 3) 2018 £'000
<b>JOHCM Continental European Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	1,265,347	1,265,347	-	-
Forward foreign exchange contracts	62	-	62	-
<i>Financial liabilities at fair value through profit or loss</i>				
Forward foreign currency contracts	(106)	-	(106)	-
<b>Total</b>	<b>1,265,303</b>	<b>1,265,347</b>	<b>(44)</b>	<b>-</b>
<b>JOHCM UK Growth Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	349,275	349,275	-	-
<b>Total</b>	<b>349,275</b>	<b>349,275</b>	<b>-</b>	<b>-</b>
<b>JOHCM European Select Values Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	1,958,535	1,958,535	-	-
Options	22,157	22,157	-	-
Forward foreign exchange contracts	1	-	1	-
<i>Financial liabilities at fair value through profit or loss</i>				
Forward foreign currency contracts	(1)	-	(1)	-
<b>Total</b>	<b>1,980,692</b>	<b>1,980,692</b>	<b>-</b>	<b>-</b>
<b>JOHCM Japan Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	354,469	354,469	-	-
Forward foreign currency contracts	9	-	9	-

**8 Risk associated with financial instruments (continued)**

<b>Assets and liabilities</b>	<b>Total investments 2018 £'000</b>	<b>(Level 1) 2018 £'000</b>	<b>(Level 2) 2018 £'000</b>	<b>(Level 3) 2018 £'000</b>
<i>Financial liabilities at fair value through profit or loss</i>				
Forward foreign currency contracts	(295)	-	(295)	-
<b>Total</b>	<b>354,183</b>	<b>354,469</b>	<b>(286)</b>	<b>-</b>
<b>JOHCM Global Select Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	1,664,090	1,664,090	-	-
<i>Financial liabilities at fair value through profit or loss</i>				
Forward foreign currency contracts	(1)	-	(1)	-
<b>Total</b>	<b>1,664,089</b>	<b>1,664,090</b>	<b>(1)</b>	<b>-</b>
<b>JOHCM Emerging Markets Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	8,452	8,452	-	-
<b>Total</b>	<b>8,452</b>	<b>8,452</b>	<b>-</b>	<b>-</b>
<b>JOHCM Global Emerging Markets Opportunities Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	282,494	282,494	-	-
<i>Financial liabilities at fair value through profit or loss</i>				
Forward foreign currency contracts	(1)	-	(1)	-
<b>Total</b>	<b>282,493</b>	<b>282,494</b>	<b>(1)</b>	<b>-</b>
<b>JOHCM Asia ex-Japan Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	171,180	171,180	-	-
Forward foreign currency contracts	1	-	1	-
<b>Total</b>	<b>171,181</b>	<b>171,180</b>	<b>1</b>	<b>-</b>
<b>JOHCM Asia ex-Japan Small and Mid-Cap Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	13,788	13,788	-	-
<b>Total</b>	<b>13,788</b>	<b>13,788</b>	<b>-</b>	<b>-</b>
<b>JOHCM Global Opportunities Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	256,439	256,439	-	-
Forward foreign currency contracts	75	-	75	-
<i>Financial liabilities at fair value through profit or loss</i>				
Forward foreign exchange contracts	(6)	-	(6)	-
<b>Total</b>	<b>256,508</b>	<b>256,439</b>	<b>69</b>	<b>-</b>
<b>JOHCM Japan Dividend Growth Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	61,368	61,368	-	-
<i>Financial liabilities at fair value through profit or loss</i>				

**8 Risk associated with financial instruments (continued)**

<b>Assets and liabilities</b>	<b>Total investments 2018 £'000</b>	<b>(Level 1) 2018 £'000</b>	<b>(Level 2) 2018 £'000</b>	<b>(Level 3) 2018 £'000</b>
Forward foreign currency contracts	(10)	-	(10)	-
<b>Total</b>	<b>61,358</b>	<b>61,368</b>	<b>(10)</b>	<b>-</b>
<b>JOHCM US Small Mid Cap Equity Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	44,937	44,937	-	-
<b>Total</b>	<b>44,937</b>	<b>44,937</b>	<b>-</b>	<b>-</b>
<b>JOHCM European Concentrated Value Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	382,507	382,507	-	-
Forward foreign exchange contracts	569	-	569	-
<b>Total</b>	<b>383,076</b>	<b>382,507</b>	<b>569</b>	<b>-</b>
<b>JOHCM Global Smaller Companies Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	3,802	3,802	-	-
<b>Total</b>	<b>3,802</b>	<b>3,802</b>	<b>-</b>	<b>-</b>
<b>JOHCM UK Dynamic Fund</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	13,027	13,027	-	-
<b>Total</b>	<b>13,027</b>	<b>13,027</b>	<b>-</b>	<b>-</b>
<b>JOHCM Global Income Builder Fund*</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	17,882	10,022	7,860	-
<b>Total</b>	<b>17,882</b>	<b>10,022</b>	<b>7,860</b>	<b>-</b>
<b>JOHCM Concentrated Global Share Fund**</b>				
<i>Financial assets at fair value through profit or loss</i>				
Investments in transferable securities, at fair value	1,624	1,624	-	-
<b>Total</b>	<b>1,624</b>	<b>1,624</b>	<b>-</b>	<b>-</b>

\* JOHCM Global Income Builder Fund launched on 11 April 2018.

\*\* JOHCM Concentrated Global Share Fund launched on 30 November 2018.

**8 Risk associated with financial instruments (continued)****Global exposure to financial derivative instruments**

The Investment Manager's Risk Management department has assessed the risk profile of the Company and the related sub-funds on the basis of the investment policy, strategy and the use of Financial Derivative Instruments ("FDIs"). Based on the risk profile, Risk Management has determined that the method for the calculation of the global exposure to FDIs for all sub-funds will be the commitment approach, where the sub-fund holds FDIs.

Breaches of the exposure limits, if any, are identified using the commitment approach, addressed by the Investment Manager and reported to the Directors. An annual FDIs report is provided to the Central Bank detailing any exposure breaches in either the global exposure or counterparty risk exposure in respect of FDIs. During the financial period ended 30 June 2019 and financial year ended 31 December 2018 there were no breaches of the FDIs exposure limits.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and includes currency risk, interest rate risk and price risk. The Company's market risk management strategy is driven by the investment objectives of each of the sub-funds. The sub-funds are actively managed.

**Price risk**

The Company's equity securities and FDIs are susceptible to market price risk arising from uncertainties about the future prices of the instruments. The Company's market price risk is managed through diversification of the portfolios of the sub-funds. Asset allocation is determined by the Company's Investment Manager who manages the allocation of assets to achieve each sub-fund's investment objective.

Market risk exposures are measured through monitoring sector and country exposures against the relevant benchmark indices on a daily basis via live spreadsheets.

**Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company's functional currency is Sterling (GBP). The Company invests in securities and other investments that are denominated in currencies other than the functional currency. Accordingly, the value of the Company's assets may be affected favourably or unfavourably by fluctuations in currency rates. Sub-funds may employ techniques and use instruments intended to provide protection against exchange rate risks in the context of the management of the assets and liabilities in line with the Company's Risk Management Process. This will involve the buying or selling of a foreign currency in order to complete a forward contract entered into at the same time as the initial transaction to eliminate exchange rate risk. A sub-fund may enter into forward foreign currency exchange contracts to hedge the foreign exchange risk implicit in the value of the portfolio securities denominated in a foreign currency.

The rates of exchange to GBP as at 30 June 2019 and 31 December 2018 were:

	2019	2018
AED	4.658471	-
AUD	1.809459	1.809153
BRL	4.843884	4.955775
CAD	1.659505	1.739267
CHF	1.236480	1.256214
CLP	862.168593	886.120749
CNY	8.711466	-
CZK	28.340149	28.680847
DKK	8.315576	8.326052
EUR	1.114113	1.114953
HKD	9.903638	10.000940
HUF	360.582049	357.959834
IDR	17,918.197231	18,362.093759
INR	87.604476	89.094334
JPY	136.584215	140.388721
KRW	1,464.491917	1,423.522854
LKR	223.835157	233.565027
MXN	24.360846	25.112099
MYR	5.241049	5.276795
NOK	10.797201	11.082470
PHP	65.065155	67.035909
PLN	4.736093	4.794176
QAR	4.617695	4.649512
RUB	79.955239	89.019799
SEK	11.754592	11.429773
SGD	1.715815	1.739456
THB	38.903374	41.307583
TRY	7.323644	6.753155
TWD	39.307299	39.001222
USD	1.268250	1.276900
ZAR	17.995232	18.357606

The Investment Manager seeks to mitigate foreign currency risk by launching share classes denominated in currencies other than the reporting currency of the Fund. For the Japan Fund, while the base currency of the Fund is GBP, JPY hedged share classes have been introduced to provide investors with the same return as the underlying JPY assets. For the Continental European Fund, while the base currency of the Fund is GBP, EUR and USD hedged share classes have been introduced to provide investors with the same return as the underlying EUR and USD assets. For the Japan Dividend Growth Fund, while the base currency of the Fund is GBP, EUR and JPY hedged share classes have been introduced to provide investors with the same return as the underlying EUR and JPY assets.

### 8 Risk associated with financial instruments (continued)

#### Interest rate risk

The Sub-Funds may invest in interest bearing securities. Any change to the interest rates relevant for the particular securities may result in the relevant Portfolio Manager being unable to secure positive returns on the expiry of contract or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the value of the fixed interest securities will decline (along with certain expenses calculated by reference to the assets of the Sub-Fund). A decline in interest rates will in general have the opposite effect.

#### Cash account risk

Subscription monies will become the property of a sub-fund upon receipt and accordingly investors will be treated as a general creditor of a sub-fund during the period between receipt of subscription monies and the issue of shares.

Any failure to supply the sub-fund or the Administrator with any documentation requested by them for anti-money laundering purposes may result in a delay in the settlement of redemption proceeds or dividend payments. In such circumstances, the Administrator will process any redemption request received by a shareholder and by doing so that investor will no longer be considered a shareholder notwithstanding that they have not received the redemption proceeds.

In the event of the insolvency of the Company or the relevant sub-fund, the shareholder will rank as an unsecured creditor of the sub-fund until such time as the Administrator is satisfied that its anti-money-laundering procedures have been fully complied with, following which redemption proceeds will be released or the dividend paid (as applicable) to the relevant shareholder. Accordingly, shareholders are advised to promptly provide the sub-fund or Administrator (as appropriate) with all documentation requested to reduce the risk in this scenario.

The Administrator also operates the Cash Account with respect to receipt of subscription monies. In this scenario, the investor is subject to the risk of becoming an unsecured creditor in the event of the insolvency of the Company or the relevant sub-fund during the period between receipt of subscription monies and the Dealing Day on which the shares are issued.

In the case of sub-funds which operate on a cleared funds basis, in the event of an insolvency of the Company or the relevant sub-fund, the rights of the investor to money held in the Cash Account which have been received from the investor in advance of shares being issued, are those of an unsecured creditor of the sub-fund. In such a case the investor will not be a shareholder.

#### Credit risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Company. It is the Company's policy to enter into financial transactions with a range of reputable counterparties thus diversifying the risk. Therefore, the Company does not expect to incur material credit losses on its financial instruments.

The depositary agreement between the Company and the Depositary provides that the appointment of the Depositary shall continue until terminated by either party on not less than 90 days' prior written notice or earlier upon certain breaches or the insolvency of either party. The Depositary is liable for any loss suffered by the Company or the Shareholders as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under the UCITS Regulations. In the event of a loss of financial instrument held in custody, the Depositary must immediately return a financial instrument of identical type or the corresponding amount to the Company.

With respect to Financial Derivative Instruments ("FDIs"), credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement.

#### Operational risk

Operational risk comprises the risk that deficiencies in the effectiveness and accuracy of information systems or internal controls will result in a material loss. The risk arises from human error, systems failures, inadequate procedures or internal management controls. To minimise operational risk the following processes and controls have been implemented:

#### Cross liability between sub-funds

The Company is established as an umbrella fund with segregated liability between sub-funds. As a matter of Irish law, the assets of one sub-fund will not be available to satisfy the liabilities of another. However, the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There is no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability associated with segregated liability companies nor is there any guarantee that the creditors of one sub-fund will not seek to enforce such sub-fund's obligations against another sub-fund.

## 8 Risk associated with financial instruments (continued)

### Liquidity risk

Liquidity risk is the risk that the sub-funds will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments.

Ultimate responsibility for liquidity risk management rests with the Board which has built an appropriate liquidity risk management framework for the management of the Company's liquidity management requirements.

Generally the sub-funds' assets are composed of actively traded and highly liquid securities. The liquidity risks associated with the need to satisfy Shareholders' requests for redemptions are mitigated by maintaining a constant pool of cash to satisfy usual levels of demand and by holding liquid securities. Redemptions are settled on a T+3 basis (redemptions are paid out three days after trade date) and therefore it is possible to sell securities to meet redemptions as appropriate.

The sub-funds avoid entering into derivative contractual arrangements that produce an exposure not covered by sufficient liquid assets or a total investment exposure in excess of total Shareholders' funds.

The risk management framework adopted requires coverage to be composed of cash reserves or physical securities.

## 9 Distributions to Shareholders

Sub-fund	Financial period ended	Financial year ended
	30 June 2019	31 December 2018
	£'000	£'000
JOHCM Continental European Fund	31,565	29,051
JOHCM UK Growth Fund	7,590	5,308
JOHCM European Select Values Fund	31,429	21,752
JOHCM Japan Fund	5,763	4,249
JOHCM Global Select Fund	15,552	12,732
JOHCM Emerging Markets Fund	82	115
JOHCM Global Emerging Markets Opportunities Fund	5,913	3,655
JOHCM Asia ex-Japan Fund	3,167	5,029
JOHCM Asia ex-Japan Small and Mid-Cap Fund	273	217
JOHCM Global Opportunities Fund	5,056	6,704
JOHCM Japan Dividend Growth Fund	2,106	2,171
JOHCM European Concentrated Value Fund	4,439	2,582
JOHCM (IRE) UK Dynamic Fund	336	-
JOHCM Global Income Builder Fund*	516	599
JOHCM Concentrated Global Share Fund	2	-

\* JOHCM Global Income Builder Fund launched on 11 April 2018.

The Company may declare dividends once a year out of the net income available for distribution, except for JOHCM Global Income Builder Fund, which pays distribution on a monthly basis. The distribution paid in 2019 was based on available income as at 31 December 2018.

The Directors operate a distribution policy designed to enable the Company to obtain reporting fund status in respect of all sub-funds and share classes for the purposes of United Kingdom taxation. Such certification is granted retrospectively and there can be no guarantee that certification will be obtained. The Company has been certified as a reporting Fund in respect of all sub-funds and share classes in respect of the financial period ended 30 June 2019.

### Distributions payable to holders of redeemable participating preference shares

Proposed distributions to holders of participating shares are classified as finance costs in the Statement of Comprehensive Income when they are ratified at the Annual General Meeting.

### 10 Soft commissions

Under the previous UK Financial Conduct Authority Regulations to which they were subject, the Investment Manager could only use commission paid by the Company to pay for execution or research services. Such payments would normally be paid to the broker executing the trade for the Company but the Investment Manager also made limited use of commission sharing arrangements. Under these arrangements a proportion of the commission paid to specified commission sharing brokers who execute trades for the Company are put aside and subsequently paid at the Investment Manager's direction to specialist research providers where those services would assist in the provision of investment services to the Company.

On 29 August, 2017 the Investment Manager announced that it would directly pay for external research used by its fund management teams following implementation of the reforms to the EU's Markets in Financial Instruments Directive (known as MiFID II) on 3rd January 2018.

### 11 Efficient portfolio management

Techniques and instruments for the purpose of efficient portfolio management were utilised during the financial period by the JOHCM Continental European Fund, JOHCM European Select Values Fund, JOHCM Japan Fund, JOHCM Global Select Fund, JOHCM Emerging Markets Fund, JOHCM Global Emerging Markets Opportunities Fund, JOHCM Asia ex-Japan Fund, JOHCM Asia ex-Japan Small and Mid-Cap Fund, JOHCM Global Opportunities Fund, JOHCM Japan Dividend Growth Fund, JOHCM US Small Mid Cap Equity Fund, JOHCM Global Income Builder Fund, JOHCM European Concentrated Value Fund, JOHCM Global Smaller Companies Fund and JOHCM Concentrated Global Share Fund.

Certain sub-funds may also enter into stock lending with one or more counterparties for the purposes of efficient portfolio management, and in particular with the aim of generating additional income for the sub-funds with an appropriate level of risk, taking into account the risk profile of the sub-funds and subject to the conditions and limits as set out in the UCITS Regulations and within any further limits laid down by the Central Bank from time to time. (See note 14).

The changes in unrealised gains and losses and realised gains and losses on financial derivative instruments used for EPM are disclosed in note 12, Gains and Losses on Financial Assets. For the realised gains on Swaps for JOHCM European Select Values Fund this is disclosed as a stand alone item on the Statement of Comprehensive Income and is therefore not included in note 12.

Techniques and instruments relating to transferable securities utilised for the purposes of efficient portfolio management may be used only in accordance with the investment objectives of a collective investment scheme. Any such technique or instrument must be one which is reasonably believed by the Investment Manager to be economically appropriate to the efficient portfolio management of the Company, i.e. the use of a technique or instrument may only be undertaken for the purposes of one or more of the following:

- (i) a reduction in risk;
- (ii) a reduction in costs; or
- (iii) an increase in capital or income returns to the scheme.

**12 Gains and losses on financial assets****Net gain/(loss) on financial assets/liabilities at fair value through profit or loss for the financial period ended 30 June 2019**

	Realised gains/(losses)	Unrealised gains/(losses)	Total
	£'000	£'000	£'000
<b>JOHCM Continental European Fund</b>			
Investments	9,671	121,639	131,310
Foreign exchange	646	-	646
Forward exchange contracts	1,536	8	1,544
	11,853	121,647	133,500
<b>JOHCM UK Growth Fund</b>			
Investments	3,865	22,982	26,847
Foreign exchange	(1)	-	(1)
	3,864	22,982	26,846
<b>JOHCM European Select Values Fund</b>			
Investments	99,895	135,325	235,220
Foreign exchange	182	-	182
Forward exchange contracts	200	-	200
Options	(2,593)	(22,287)	(24,880)
	97,684	113,038	210,722
<b>JOHCM Japan Fund</b>			
Investments	(5,404)	22,340	16,936
Foreign exchange	(119)	-	(119)
Forward exchange contracts	(1,804)	346	(1,458)
	(7,327)	22,686	15,359
<b>JOHCM Global Select Fund</b>			
Investments	105,731	213,327	319,058
Foreign exchange	(1,350)	-	(1,350)
Forward exchange contracts	6	(1)	5
	104,387	213,326	317,713
<b>JOHCM Emerging Markets Fund</b>			
Investments	115	445	560
Foreign exchange	9	-	9
Forward exchange contracts	(21)	-	(21)
Capital gain tax on equities	(8)	-	(8)
	95	445	540
<b>JOHCM Global Emerging Markets Opportunities Fund</b>			
Investments	7,418	27,369	34,787
Foreign exchange	392	-	392
Forward exchange contracts	24	-	24
	7,834	27,369	35,203
<b>JOHCM Asia ex-Japan Fund</b>			
Investments	1,518	14,114	15,632
Foreign exchange	206	-	206
Forward exchange contracts	(113)	-	(113)
Capital gain tax on equities	(30)	-	(30)
	1,581	14,114	15,695

**12 Gains and losses on financial assets (continued)**

**Net gain/(loss) on financial assets/liabilities at fair value through profit or loss for the financial period ended 30 June 2019 (continued)**

	Realised gains/(losses)	Unrealised gains/(losses)	Total
	£'000	£'000	£'000
<b>JOHCM Asia ex-Japan Small and Mid-Cap Fund</b>			
Investments	(193)	2,708	2,515
Foreign exchange	9	-	9
	(184)	2,708	2,524
<b>JOHCM Global Opportunities Fund</b>			
Investments	7,168	29,059	36,227
Foreign exchange	257	-	257
Forward exchange contracts	(88)	(70)	(158)
Capital gain tax on equities	(44)	-	(44)
	7,293	28,989	36,282
<b>JOHCM Japan Dividend Growth Fund</b>			
Investments	(256)	3,334	3,078
Foreign exchange	(295)	-	(295)
Forward exchange contracts	(64)	12	(52)
	(615)	3,346	2,731
<b>JOHCM US Small Mid Cap Equity Fund</b>			
Investments	1,452	7,416	8,868
Foreign exchange	51	-	51
	1,503	7,416	8,919
<b>JOHCM European Concentrated Value Fund</b>			
Investments	8,545	32,811	41,356
Foreign exchange	88	-	88
Forward exchange contracts	(16,105)	19,933	3,828
	(7,472)	52,744	45,272
<b>JOHCM Global Smaller Companies Fund</b>			
Investments	123	455	578
	123	455	578
<b>JOHCM UK Dynamic Fund</b>			
Investments	(90)	1,501	1,411
Forward exchange contracts	(2)	-	(2)
	(92)	1,501	1,409
<b>JOHCM Global Income Builder Fund</b>			
Investments	483	2,064	2,547
Forward exchange contracts	16	(9)	7
	499	2,055	2,554
<b>JOHCM Concentrated Global Share Fund</b>			
Investments	(8)	254	246
	(8)	254	246

**12 Gains and losses on financial assets (continued)**

**Net gain/(loss) on financial assets/liabilities at fair value through profit or loss for the financial period ended 30 June 2018 (continued)**

	Realised gains/(losses)	Unrealised gains/(losses)	Total
	£'000	£'000	£'000
<b>JOHCM Continental European Fund</b>			
Investments	29,195	(64,967)	(35,772)
Foreign exchange	228	-	228
Forward exchange contracts	5,800	(1,498)	4,302
	35,223	(66,465)	(31,242)
<b>JOHCM UK Growth Fund</b>			
Investments	2,900	3,396	6,296
	2,900	3,396	6,296
<b>JOHCM European Select Values Fund</b>			
Investments	168,412	(337,333)	(168,921)
Foreign exchange	(1,220)	-	(1,220)
Forward exchange contracts	85	5	90
Options	(13,229)	3,391	(9,838)
Swaps	-	114	114
	154,048	(333,823)	(179,775)
<b>JOHCM Japan Fund</b>			
Investments	25,556	(47,242)	(21,686)
Foreign exchange	617	-	617
Forward exchange contracts	(6,750)	(183)	(6,933)
	19,423	(47,425)	(28,002)
<b>JOHCM Global Select Fund</b>			
Investments	92,522	87,060	179,582
Foreign exchange	7,122	-	7,122
Forward exchange contracts	19	(1)	18
	99,663	87,059	186,722
<b>JOHCM Emerging Markets Fund</b>			
Investments	1,716	(3,576)	(1,860)
Foreign exchange	(17)	-	(17)
Forward exchange contracts	(3)	-	(3)
	1,696	(3,576)	(1,880)
<b>JOHCM Global Emerging Markets Opportunities Fund</b>			
Investments	7,244	(21,362)	(14,118)
Foreign exchange	212	-	212
Forward exchange contracts	113	-	113
	7,569	(21,362)	(13,793)
<b>JOHCM Asia ex-Japan Fund</b>			
Investments	73,406	(122,036)	(48,630)
Foreign exchange	614	-	614
Forward exchange contracts	57	-	57
	74,077	(122,036)	(47,959)

**12 Gains and losses on financial assets (continued)****Net gain/(loss) on financial assets/liabilities at fair value through profit or loss for the financial period ended 30 June 2018 (continued)**

	Realised gains/(losses)	Unrealised gains/(losses)	Total
	£'000	£'000	£'000
<b>JOHCM Asia ex-Japan Small and Mid-Cap Fund</b>			
Investments	421	(845)	(424)
Foreign exchange	(41)	-	(41)
Forward exchange contracts	(7)	-	(7)
	373	(845)	(472)
<b>JOHCM Global Opportunities Fund</b>			
Investments	(7,321)	12,413	5,092
Foreign exchange	247	-	247
Forward exchange contracts	(970)	(22)	(992)
	(8,044)	12,391	4,347
<b>JOHCM Japan Dividend Growth Fund</b>			
Investments	4,780	(11,971)	(7,191)
Foreign exchange	142	-	142
Forward exchange contracts	(524)	(18)	(542)
	4,398	(11,989)	(7,591)
<b>JOHCM US Small Mid Cap Equity Fund</b>			
Investments	1,236	2,990	4,226
Foreign exchange	44	-	44
	1,280	2,990	4,270
<b>JOHCM European Concentrated Value Fund</b>			
Investments	2,693	(15,552)	(12,859)
Foreign exchange	(163)	-	(163)
Forward exchange contracts	(14,393)	16,940	2,547
	(11,863)	1,388	(10,475)
<b>JOHCM Global Smaller Companies Fund</b>			
Investments	151	171	322
Forward exchange contracts	5	-	5
	156	171	327
<b>JOHCM UK Dynamic Fund*</b>			
Investments	27	(16)	11
	27	(16)	11
<b>JOHCM Global Income Builder Fund**</b>			
Investments	10	586	596
Foreign exchange	75	-	75
	85	586	671

\* JOHCM UK Dynamic Fund launched on 27 September 2017.

\*\* JOHCM Global Income Builder Fund launched on 11 April 2018.

**13 Statement of Net Assets for current and prior financial periods**

	30 June 2019	31 December 2018	31 December 2017
<b>JOHCM Continental European Fund</b>			
Net Assets (£'000)	£1,167,827	£1,314,516	£1,941,835
Net Asset Value per Unit in GBP Class A Shares	£4.472	£4.029	£4.561
Net Asset Value per Unit in EUR Class A Shares	€3.475	€3.174	€3.640
Net Asset Value per Unit in USD Class A Shares	\$1.311	\$1.179	\$1.323
Net Asset Value per Unit in GBP Hedged Class A Shares	£1.180	£1.126	£1.280
Net Asset Value per Unit in GBP Class B Shares	£4.315	£3.884	£4.456
Net Asset Value per Unit in EUR Class B Shares	€3.502	€3.153	€3.623
Net Asset Value per Unit in USD Hedged Class B Shares	\$1.341	\$1.190	\$1.332
Net Asset Value per Unit in GBP Hedged X Shares	£0.891	£0.912	£1.020
Net Asset Value per Unit in GBP Y Shares	£1.647	£1.486	£1.678
Net Asset Value per Unit in EUR Y Shares	€1.339	€1.187	€1.361
Net Asset Value per Unit in GBP Hedged Y Shares	£1.229	£1.103	£1.249
<b>JOHCM UK Growth Fund</b>			
Net Assets (£'000)	£270,067	£349,007	£395,174
Net Asset Value per Unit in GBP Class A Shares	£3.300	£3.055	£3.626
Net Asset Value per Unit in GBP Class B Shares	£2.863	£2.645	£3.138
<b>JOHCM European Select Values Fund</b>			
Net Assets (£'000)	£1,909,397	£2,027,173	£3,026,204
Net Asset Value per Unit in GBP Class A Shares	£5.770	£5.232	£6.079
Net Asset Value per Unit in EUR Class A Shares	€3.575	€3.239	€3.815
Net Asset Value per Unit in GBP Class B Shares	£5.285	£4.768	£5.544
Net Asset Value per Unit in EUR Class B Shares	€2.394	€2.164	€2.546
Net Asset Value per Unit in EUR X Shares	€1.712	€1.545	€1.820
Net Asset Value per Unit in EUR E Shares	€1.312	€1.170	€1.369
<b>JOHCM Japan Fund</b>			
Net Assets (£'000)	£266,498	£353,042	£512,949
Net Asset Value per Unit in GBP Class A Shares	£2.301	£2.201	£2.684
Net Asset Value per Unit in GBP Hedged Class Shares	£1.515	£1.492	£1.974
Net Asset Value per Unit in EUR Class A Shares	€1.622	€1.579	€1.950
Net Asset Value per Unit in JPY Class A Shares	¥302.944	¥298.186	¥393.852
Net Asset Value per Unit in GBP Class B Shares	£2.246	£2.139	£2.615
Net Asset Value per Unit in GBP Hedged Class B Shares	£1.548	£1.516	£2.001
Net Asset Value per Unit in EUR Class B Shares	€1.562	€1.486	€1.941
Net Asset Value per Unit in JPY Class B Shares	¥299.393	¥293.132	¥390.204
<b>JOHCM Global Select Fund</b>			
Net Assets (£'000)	£1,911,979	£1,869,883	£2,290,545
Net Asset Value per Unit in GBP Class A Shares	£3.325	£2.805	£2.880
Net Asset Value per Unit in EUR Class A Shares	€2.982	€2.515	€2.604
Net Asset Value per Unit in USD Class A Shares	\$1.740	\$1.477	\$1.601
Net Asset Value per Unit in GBP Class B Shares	£3.203	£2.689	£2.756
Net Asset Value per Unit in EUR Class B Shares	€2.883	€2.423	€2.510
Net Asset Value per Unit in USD Class B Shares	\$1.981	\$1.674	\$1.816
Net Asset Value per Unit in GBP Z Shares	£2.367	£2.018	£2.063
Net Asset Value per Unit in USD Z Shares	\$1.937	\$1.650	\$1.786
Net Asset Value per Unit in EUR E Shares <sup>1</sup>	-	€0.970	€1.002

<sup>1</sup> This share class was terminated on 16 April 2019.

**13 Statement of Net Assets for current and prior financial periods (continued)**

	30 June 2019	31 December 2018	31 December 2017
<b>JOHCM Emerging Markets Fund</b>			
Net Assets (£'000)	£5,064	£8,917	£29,817
Net Asset Value per Unit in GBP Class A Shares	£1.250	£1.154	£1.403
Net Asset Value per Unit in EUR Class A Shares	€1.398	€1.284	€1.573
Net Asset Value per Unit in USD Class A Shares	\$1.394	\$1.288	\$1.651
Net Asset Value per Unit in GBP Class B Shares	£1.391	£1.280	£1.554
Net Asset Value per Unit in EUR Class B Shares	€1.365	€1.258	€1.545
Net Asset Value per Unit in USD Class B Shares	\$1.380	\$1.279	\$1.644
Net Asset Value per Unit in GBP Y Shares	£1.352	£1.251	£1.517
<b>JOHCM Global Emerging Markets Opportunities Fund</b>			
Net Assets (£'000)	£368,816	£291,056	£326,423
Net Asset Value per Unit in GBP Class A Shares	£1.392	£1.251	£1.402
Net Asset Value per Unit in EUR Class A Shares	€1.458	€1.311	€1.471
Net Asset Value per Unit in USD Class A Shares	\$1.139	\$1.032	\$1.223
Net Asset Value per Unit in GBP Class B Shares	£1.339	£1.201	£1.423
Net Asset Value per Unit in EUR Class B Shares	€1.442	€1.286	€1.462
Net Asset Value per Unit in USD Class B Shares	\$1.488	\$1.341	\$1.585
Net Asset Value per Unit in GBP Z Shares	£1.752	£1.585	£1.774
Net Asset Value per Unit in CAD Z Shares	AU\$1.858	CA\$1.484	CA\$1.615
Net Asset Value per Unit in AUD Z Shares	CA\$1.563	AU\$1.683	AU\$1.795
Net Asset Value per Unit in GBP Y Shares	£1.678	£1.514	£1.694
Net Asset Value per Unit in USD Y Shares	\$1.382	\$1.265	\$1.493
<b>JOHCM Asia ex-Japan Fund</b>			
Net Assets (£'000)	£126,510	£170,967	£568,138
Net Asset Value per Unit in GBP Class A Shares	£1.980	£1.805	£2.230
Net Asset Value per Unit in EUR Class A Shares	€1.859	€1.762	€2.210
Net Asset Value per Unit in USD Class A Shares	\$1.569	\$1.491	\$1.954
Net Asset Value per Unit in GBP Class B Shares	£1.956	£1.777	£2.199
Net Asset Value per Unit in EUR Class B Shares	€1.892	€1.725	€2.157
Net Asset Value per Unit in USD Class B Shares	\$1.601	\$1.461	\$1.912
Net Asset Value per Unit in GBP Z Shares	£1.403	£1.283	£1.587
Net Asset Value per Unit in USD Z Shares <sup>2</sup>	\$1.045	-	-
<b>JOHCM Asia ex-Japan Small and Mid-Cap Fund</b>			
Net Assets (£'000)	£15,744	£14,108	£34,991
Net Asset Value per Unit in GBP Class A Shares	£2.153	£1.836	£2.198
Net Asset Value per Unit in EUR Class A Shares	€1.820	€1.778	€2.152
Net Asset Value per Unit in USD Class A Shares	\$1.814	\$1.549	\$1.962
Net Asset Value per Unit in GBP Class B Shares	£2.116	£1.776	£2.128
Net Asset Value per Unit in EUR Class B Shares	€2.071	€1.744	€2.111
Net Asset Value per Unit in USD Class B Shares	\$1.741	\$1.480	\$1.875
Net Asset Value per Unit in GBP Z Shares	£1.622	£1.381	£1.660

<sup>2</sup> This share class was launched on 12 February 2019.

**13 Statement of Net Assets for current and prior financial periods (continued)**

	30 June 2019	31 December 2018	31 December 2017
<b>JOHCM Global Opportunities Fund</b>			
Net Assets (£'000)	£406,017	£272,281	£275,643
Net Asset Value per Unit in GBP Class A Shares	£2.100	£1.900	£1.901
Net Asset Value per Unit in EUR Class A Shares	€2.216	€1.990	€2.009
Net Asset Value per Unit in USD Class A Shares	\$1.989	\$1.816	\$1.916
Net Asset Value per Unit in GBP Class B Shares	£2.346	£2.140	£2.152
Net Asset Value per Unit in EUR Class B Shares	€2.069	€1.875	€1.956
Net Asset Value per Unit in USD Class B Shares	\$1.920	\$1.756	\$1.868
Net Asset Value per Unit in GBP X Shares	£1.789	£1.615	£1.620
Net Asset Value per Unit in GBP Hedged X Shares	£1.037	£0.954	£0.999
Net Asset Value per Unit in EUR X Shares <sup>3</sup>	€0.997	-	-
Net Asset Value per Unit in GBP Z Shares	£0.823	£0.742	£0.734
Net Asset Value per Unit in GBP ZGA Shares	£1.495	£1.318	£1.275
Net Asset Value per Unit in EUR Z Shares <sup>4</sup>	€0.973	-	-
<b>JOHCM Japan Dividend Growth Fund</b>			
Net Assets (£'000)	£30,214	£61,538	£137,771
Net Asset Value per Unit in GBP Class A Shares	£1.280	£1.237	£1.474
Net Asset Value per Unit in GBP Hedged Class A Shares	£1.010	£1.080	£1.404
Net Asset Value per Unit in EUR Class A Shares	-	-	€1.494
Net Asset Value per Unit in USD Class A Shares	\$1.010	\$0.986	\$1.229
Net Asset Value per Unit in USD Hedged Class A Shares	\$1.035	\$1.106	\$1.397
Net Asset Value per Unit in EUR Class B Shares	€1.306	€1.265	€1.511
Net Asset Value per Unit in GBP Shares	£1.304	£1.266	£1.484
<b>JOHCM US Small Mid Cap Equity Fund</b>			
Net Assets (£'000)	£54,000	£45,150	£44,490
Net Asset Value per Unit in GBP Class A Shares	£1.954	£1.633	£1.695
Net Asset Value per Unit in EUR Class A Shares	€1.693	€1.416	€1.485
Net Asset Value per Unit in USD Class A Shares	\$1.532	\$1.288	\$1.416
Net Asset Value per Unit in EUR Class B Shares	€1.642	€1.377	€1.453
Net Asset Value per Unit in USD Class B Shares	\$1.485	\$1.254	\$1.385
Net Asset Value per Unit in USD Shares	\$1.571	\$1.319	\$1.443
<b>JOHCM European Concentrated Value Fund</b>			
Net Assets (£'000)	£412,651	£397,546	£389,820
Net Asset Value per Unit in EUR Class A Shares	€1.086	€0.980	€1.098
Net Asset Value per Unit in USD Class B Shares	\$1.211	\$1.098	\$1.294
Net Asset Value per Unit in EUR Class B Shares	€1.081	€0.972	€1.091
Net Asset Value per Unit in SGD Hedged Class B Shares	SG\$1.050	SG\$0.934	SG\$1.040
Net Asset Value per Unit in AUD Z Shares	AU\$1.272	AU\$1.154	AU\$1.227
Net Asset Value per Unit in EUR Z Shares <sup>5</sup>	€0.993	-	-

<sup>3</sup> This share class was launched on 25 April 2019.

<sup>4</sup> This share class was launched on 10 May 2019.

<sup>5</sup> This share class was launched on 25 April 2019.

**13 Statement of Net Assets for current and prior financial periods (continued)**

	30 June 2019	31 December 2018	31 December 2017
<b>JOHCM Global Smaller Companies Fund</b>			
Net Assets (£'000)	£4,442	£3,866	£4,144
Net Asset Value per Unit in USD Class A Shares	\$1.263	\$1.106	\$1.255
<b>JOHCM UK Dynamic Fund</b>			
Net Assets (£'000)	£17,856	£13,452	£1,947
Net Asset Value per Unit in GBP Y Shares	£1.025	£0.933	£1.050
<b>JOHCM Global Income Builder Fund</b>			
Net Assets (£'000)	£25,658	£18,289	-
Net Asset Value per Unit in GBP Class A Shares	£1.080	£0.968	-
Net Asset Value per Unit in EUR Class A Shares	€1.062	€0.951	-
Net Asset Value per Unit in USD Class A Shares <sup>6</sup>	\$1.021	-	-
Net Asset Value per Unit in EUR Class B Shares	€1.049	€0.944	-
Net Asset Value per Unit in GBP Shares	£1.120	£1.003	-
Net Asset Value per Unit SGD Class A Shares <sup>6</sup>	SG\$1.021	-	-
<b>JOHCM Concentrated Global Share Fund</b>			
Net Assets (£'000)	£2,123	£1,863	-
Net Asset Value per Unit in GBP Class A Shares	£1.060	£0.931	-

<sup>6</sup> This share class was launched on 04 April 2019.

### 14 Stock lending

Certain sub-funds may lend securities to brokers, dealers and other financial organisations to earn additional income. Each security is collateralised with collateral assets in an amount greater than the current market value of the loaned securities.

The Company appointed RBC Investor Services Trust ('the Agent') as its Collateral Manager with the authority to service, administer and exercise any and all rights and remedies, on behalf of the Company in respect of the Collateral. Without limiting the foregoing, to the extent necessary or appropriate to perform its duties under this Agreement, the Agent, as collateral manager, has the power to negotiate, execute and deliver all necessary documents and instruments and take actions, on behalf of the Company, with respect to the Collateral and with respect to the rights and obligations that the Company may have under the relevant Loan Agreement. Under the ESMA requirements the Fund must be able to recall any security that has been lent out or terminate any securities lending agreement into which it has entered, at any time. In this regard, the Company authorises the Depositary to accept directions and instructions from the Agent in respect of the Collateral as if such directions and instructions were issued by the Company and agrees that it shall not seek to deal in or otherwise effect transactions in respect of the Collateral.

The aggregate market value provided in respect of a sub-fund shall never be less than the higher of:

- (a) (i) in respect of Collateral consisting of bonds, 102% of the aggregate market value of the loaned Available Securities of such sub-fund; or
- (ii) in respect of Collateral consisting of equities, 105% of the aggregate market value of the loaned Available Securities of such sub-fund, whichever is applicable, and
- (b) the percentage of the aggregate market value of the loaned Available Securities of such sub-fund which is required by the applicable stock lending requirements of the CBI.

The Agent monitors and calculates the market value of both the Collateral and loaned Securities, at least daily or otherwise in accordance with standard market practice, and, as appropriate, diligently request additional Collateral from a Securities Borrower under the relevant Loan Agreement. The Collateral shall be deposited with the Depositary and the Depositary will keep adequate accounting records that record the sub-fund's proportionate interest in the Collateral. The Company acknowledges and agrees that the Depositary may use sub-custodians or intermediaries (which may include the Agent or another affiliate of the Depositary) to hold the Collateral, as provided in the Depositary Agreement. The Company acknowledges and agrees that Collateral held with intermediaries (including but not limited to, the Agent, as aforesaid) may be held as part of a pool of collateral consisting of the Collateral and collateral delivered by the sub-custodian's or intermediary's other clients, provided that such sub-custodians or intermediaries shall maintain the Collateral in an account or accounts separate from accounts holding their own financial assets or those of their clients other than clients with an interest in the collateral pool.

At 30 June 2019, the aggregate value of securities on loan by the Company amounted to GBP 568,960,100 (2018: GBP 600,761,968) and the value of collateral held by the Company in respect of these securities amounted to GBP 597,408,852 (2018: GBP 630,804,032).

**14 Stock lending (continued)**

The value of securities on loan and collateral pledged as at 30 June 2019 for each sub-fund, analysed by counterparty was as follows:

Counterparty	Value of securities on loan £'000	Value of collateral £'000
<b>JOHCM Continental European Fund</b>		
BNP Paribas Arbitrage	3,738	3,925
BNP Paribas Securities Services Sc	1,069	1,122
Citigroup Global Markets	95	100
Commerzbank Aktiengesellschaft	155	162
Credit Suisse AG Dublin Branch	180	189
Deutsche Bank	6,620	6,951
HSBC Bank	14,590	15,320
JP Morgan Securities	79	83
Morgan Stanley & Co.	1,139	1,196
Natixis	45,221	47,482
Societe Generale	194	204
The Bank Of Nova Scotia	1,537	1,614
Unicredit Bank AG	9,875	10,369
	84,492	88,717
<b>JOHCM European Select Values Fund</b>		
Banco Santander	6,233	6,544
Barclays Capital Securities	8,732	9,168
BNP Paribas Arbitrage	19,225	20,186
Citigroup Global Markets	4,271	4,485
Commerzbank Aktiengesellschaft	266	279
Credit Suisse AG Dublin Branch	2,345	2,462
Credit Suisse Securities EUR	7,399	7,769
Danske Bank	2,081	2,185
Deutsche Bank	47,474	49,848
Goldman Sachs International	824	866
HSBC Bank	461	484
JP Morgan Securities	2,036	2,137
Morgan Stanley & Co.	9,210	9,670
Natixis	28,462	29,885
Nomura International	138	145
Skandinaviska Enskilda Banken AB	5,333	5,599
Societe Generale	3,559	3,737
State Street Int'L Bank Gmbh	78	82
The Bank Of Nova Scotia	516	542
Unicredit Bank AG	1,978	2,077
	150,621	158,150

**14 Stock lending (continued)**

Counterparty	Value of securities on loan £'000	Value of collateral £'000
<b>JOHCM Global Select Fund</b>		
Barclays Bank	67	71
BMO Nesbitt Burns	2,343	2,460
BNP Paribas Securities Services Sc	448	471
CIBC World Markets	15,338	16,105
Citigroup Global Markets	9,093	9,548
Credit Suisse AG Dublin Branch	728	764
Credit Suisse Dublin	2,251	2,363
Credit Suisse Securities EUR	9,259	9,722
Credit Suisse Securities USA	168	177
Deutsche Bank	10,100	10,605
Healthcare Of Ont Pension	10,047	10,549
JP Morgan Securities	1,103	1,158
Merrill Lynch International	12,007	12,607
Mizuho Securities USA	46,914	49,260
National Bank Financial	3,395	3,565
Natixis	2,132	2,239
NBC Global Finance Limited	16,405	17,225
RBC Dominion Securities	27,227	28,589
Scotia Capital	56,350	59,167
TD Securities	27,455	28,828
The Bank Of Nova Scotia	7,568	7,946
	260,398	273,419
<b>JOHCM Emerging Markets Fund</b>		
Macquarie Bank	56	59
Morgan Stanley & Co.	12	12
Natixis	22	24
RBC Dominion Securities	12	12
Unicredit Bank AG	37	39
	139	146
<b>JOHCM Global Emerging Markets Opportunities Fund</b>		
BMO Nesbitt Burns	268	281
Citigroup Global Markets	91	95
Credit Suisse AG Dublin Branch	35	37
Goldman Sachs International	6,423	6,744
Merrill Lynch International	3,800	3,990
RBC Dominion Securities	352	369
	10,969	11,516

**14 Stock lending (continued)**

Counterparty	Value of securities on loan £'000	Value of collateral £'000
<b>JOHCM Asia ex-Japan Fund</b>		
Barclays Bank	132	138
CIBC World Markets	242	254
Credit Suisse Securities USA	564	592
Goldman Sachs International	5,641	5,923
Macquarie Bank	919	965
National Bank Financial	82	86
Natixis	2,468	2,591
RBC Dominion Securities	743	780
Scotia Capital	309	325
Societe Generale	2,235	2,347
	13,335	14,001
<b>JOHCM Asia ex-Japan Small and Mid-Cap Fund</b>		
Barclays Capital Securities	408	428
Citigroup Global Markets	56	59
Credit Suisse Securities EUR	48	50
Merrill Lynch International	15	16
Natixis	369	388
RBC Dominion Securities	105	110
Scotia Capital	449	472
UBS AG	153	160
	1,603	1,683
<b>JOHCM US Small Mid Cap Equity Fund</b>		
Barclays Bank	195	205
BMO Nesbitt Burns	95	99
CIBC World Markets	440	462
Commerzbank Aktiengesellschaft	78	82
Credit Suisse AG Dublin Branch	1,654	1,737
Credit Suisse Dublin	298	313
Deutsche Bank	1,227	1,288
HSBC Bank	179	188
National Bank Financial	1,130	1,186
Natixis	373	392
Nomura International	1	1
RBC Dominion Securities	4,456	4,679
Scotia Capital	477	500
Societe Generale	17	18
TD Securities	3,288	3,453
The Bank Of Nova Scotia	122	128
	14,030	14,731

**14 Stock lending (continued)**

Counterparty	Value of securities on loan £'000	Value of collateral £'000
<b>JOHCM European Concentrated Value Fund</b>		
Banco Santander	1,804	1,894
BNP Paribas Securities Services Sc	4,228	4,439
Commerzbank Aktiengesellschaft	424	446
Credit Suisse AG Dublin Branch	562	590
Credit Suisse Dublin	537	564
Credit Suisse Securities EUR	127	134
Deutsche Bank	4,668	4,901
Goldman Sachs International	651	684
Morgan Stanley & Co.	10,029	10,531
Natixis	2,551	2,678
Nomura International	162	171
Skandinaviska Enskilda Banken AB	3,758	3,946
The Bank Of Nova Scotia	2,732	2,868
Unicredit Bank AG	105	110
	32,338	33,956
<b>JOHCM Global Smaller Companies Fund</b>		
Barclays Capital Securities	66	69
CIBC World Markets	18	19
Credit Suisse AG Dublin Branch	26	28
Credit Suisse Dublin	34	36
Deutsche Bank	7	7
National Bank Financial	57	60
Natixis	15	15
RBC Dominion Securities	358	376
Scotia Capital	10	11
TD Securities	359	377
Unicredit Bank AG	88	92
	1,038	1,090

**14 Stock lending (continued)**

The following sub-funds did not enter into stocklending transactions during the period:

JOHCM UK Growth Fund  
 JOHCM Japan Fund  
 JOHCM Global Opportunities Fund  
 JOHCM Japan Dividend Growth Fund  
 JOHCM (Ire) UK Dynamic Fund  
 JOHCM Global Income Builder Fund  
 JOHCM Concentrated Global Share Fund

The following table is a breakdown of the net income earned from stock lending by each sub-fund for the financial period ended 30 June 2019. These amounts are included in other income in the Statement of Comprehensive Income. The Company has engaged a securities lending agent (the "Agent") to arrange these transactions on its behalf. All revenues from the stocklending transactions, net of direct and indirect operational costs, will be returned to the relevant Fund. The Agent is entitled to retain, as a fee for its services, 30% of all fees collected from securities borrowers, out of which the Agent will pay all of its costs and out of pocket expenses incurred in relation to the lending of the relevant Fund's securities. These costs and fees do not include hidden revenue. The appointed Agent as of the date of this Prospectus is RBC Investor Services Trust which is a related party to the Depository.

Name of sub-fund	Aggregate value of income 30 June 2019 £'000	Aggregate value of income 31 December 2018 £'000
JOHCM Continental European Fund	478	864
JOHCM European Select Values Fund	185	1,961
JOHCM Global Select Fund	546	682
JOHCM Emerging Markets Fund	-	4
JOHCM Global Emerging Markets Opportunities Fund	6	27
JOHCM Asia ex-Japan Fund	9	55
JOHCM Asia ex-Japan Small and Mid-Cap Fund	25	68
JOHCM US Small Mid Cap Equity Fund	7	14
JOHCM European Concentrated Value Fund	42	193
JOHCM Global Smaller Companies Fund	-	1
<b>Total</b>	<b>1,298</b>	<b>3,869</b>

### 15 Material changes to the Prospectus

There were no material changes to Prospectus apart from those noted in note 16 in relation to increase of the authorised participating capital of the Company.

### 16 Significant events during the year

On 2 January 2019 dividends relating to the financial year ended 31 December 2018 were approved and declared by the Directors.

Sub-fund	Share class name	Share class launch date
JOHCM Global Select Fund	EUR Non - Distributing Class	terminated on 16 April 2019
JOHCM Asia ex-Japan Fund	USD Class Z Shares	launched on 12 February 2019
JOHCM Global Opportunities Fund	EUR X Share	launched on 10 May 2019
JOHCM Global Opportunities Fund	EUR Class Z Share	launched on 25 April 2019
JOHCM European Concentrated Value Fund	EUR Class Z Shares	launched on 25 April 2019
JOHCM Global Income Builder Fund	USD Class A Shares	launched on 04 April 2019
JOHCM Global Income Builder Fund	SGD Class A Shares	launched on 04 April 2019

At the Company's Annual General Meeting on 23 May 2019, a special resolution was passed to increase the authorised participating capital of the Company from 800,000,000 Participating Shares of no par value to 500,000,000,000 Participating Shares of no par value.

On 30 September 2019, Helen Vaughan is due to retire as Chief Operating Officer of the Investment Manager. She will continue as a Non-executive director of the Company. On 28 June 2019 Markus Lewandowski has been appointed as Chief Operating Officer of the Investment Manager.

### 17 Subsequent events

In respect of the special resolution passed on 23 May 2019 to increase the authorised participating capital of the Company, a High Court application was granted on 1 July 2019 to validate all dealings in Participating Shares since the issue first arose.

On 06 August 2019, an updated Prospectus for the Company and updated Supplements for each of the sub-funds were submitted to the Central Bank for noting.

There have been no other material subsequent events since 30 June 2019.

### 18 Approval of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 15 August 2019.

# Appendix 1

## Ongoing Charge Figure

The Ongoing Charge Figures ("OCF") are set out below.

The OCF calculation includes all annual operating costs, but excludes bank interest and performance fees.

The OCFs are not required to be included in this Report by the Central Bank of Ireland. They are provided for information purposes only.

Sub-fund	Ongoing charge figure (OCF)		Performance figure		Total expense figure	
	Period ended 30 June 2019	Year ended 31 Dec 2018	Period ended 30 June 2019	Financial year ended 31 Dec 2018	Period ended 30 June 2019	Financial year ended 31 Dec 2018
	(ex perf fee)	(ex perf fee)				
	%	%	%	%	%	%
<b>JOHCM Continental European Fund</b>						
GBP Class A	0.80	0.82	-	-	0.80	0.82
EUR Class A	0.80	0.82	-	-	0.80	0.82
USD Class A Hedged	0.80	0.82	-	0.33	0.80	1.14
GBP Class A Hedged	0.80	0.82	-	-	0.80	0.82
GBP Class B	1.30	1.32	-	-	1.30	1.32
EUR Class B	1.30	1.32	-	-	1.30	1.32
USD Class B Hedged	1.30	1.32	-	0.09	1.30	1.41
GBP Y Class	0.68	0.69	-	-	0.68	0.69
EUR Y Class	0.68	0.69	-	-	0.68	0.69
GBP Y Hedged Class	0.68	0.69	-	-	0.68	0.69
GBP X Hedged Class	0.61	0.62	-	0.08	0.61	0.70
<b>JOHCM UK Growth Fund</b>						
GBP Class A	0.81	0.81	-	-	0.81	0.81
GBP Class B	1.31	1.32	-	-	1.31	1.32
<b>JOHCM European Select Values Fund</b>						
GBP Class A	0.80	0.80	-	-	0.80	0.80
EUR Class A	0.80	0.80	-	-	0.80	0.80
EUR X Class	1.55	1.55	-	-	1.55	1.55
EUR Accumulation Class	1.30	1.30	-	-	1.30	1.30
GBP Class B	1.30	1.30	-	-	1.30	1.30
EUR Class B	1.30	1.30	-	-	1.30	1.30
<b>JOHCM Japan Fund</b>						
GBP Class A	0.83	0.84	-	-	0.83	0.84
EUR Class A	0.83	0.84	-	-	0.83	0.84
JPY Class A	0.83	0.84	-	-	0.83	0.84
GBP Class A Hedged	0.83	0.84	-	-	0.83	0.84
GBP Class B	1.33	1.35	-	-	1.33	1.35
EUR Class B	1.33	1.34	-	-	1.33	1.34
JPY Class B	1.33	1.35	-	-	1.33	1.35
GBP Class B Hedged	1.33	1.35	-	-	1.33	1.35

## Ongoing Charge Figure (continued)

Sub-fund	Ongoing charge figure (OCF)		Performance figure		Total expense figure	
	Period ended 30 June 2019 (ex perf fee)	Year ended 31 Dec 2018 (ex perf fee)	Period ended 30 June 2019	Financial year ended 31 Dec 2018	Period ended 30 June 2019	Financial year ended 31 Dec 2018
	%	%	%	%	%	%
<b>JOHCM Global Select Fund</b>						
GBP Class A	0.79	0.79	-	-	0.79	0.79
EUR Class A	0.79	0.79	-	-	0.79	0.79
USD Class A	0.79	0.80	-	-	0.79	0.80
GBP Z Class	0.04	0.05	-	-	0.04	0.05
GBP Class B	1.54	1.54	-	-	1.54	1.54
EUR Class B	1.54	1.54	-	-	1.54	1.54
USD Class B	1.54	1.54	-	-	1.54	1.54
USD Z Class	0.04	0.04	-	-	0.04	0.04
EUR E Class <sup>1</sup>	-	1.29	-	-	-	1.29
<b>JOHCM Emerging Markets Fund</b>						
GBP Class A	1.40	1.40	-	-	1.40	1.40
EUR Class A	1.40	1.40	-	-	1.40	1.40
USD Class A	1.40	1.40	-	-	1.40	1.40
GBP Y Class	1.30	1.30	-	-	1.30	1.30
GBP Class B	2.00	2.00	-	-	2.00	2.00
EUR Class B	2.00	2.00	-	-	2.00	2.00
USD Class B	2.00	2.00	-	-	2.00	2.00
<b>JOHCM Global Emerging Markets Opportunities Fund</b>						
GBP Class A	1.02	1.05	-	-	1.02	1.05
EUR Class A	1.01	1.05	-	-	1.01	1.05
USD Class A	1.01	1.05	-	-	1.01	1.05
GBP Class B	1.61	1.65	-	-	1.61	1.65
EUR Class B	1.65	1.65	-	-	1.65	1.65
USD Class B	1.61	1.65	-	-	1.61	1.65
CAD Z Class	0.11	0.15	-	-	0.11	0.15
GBP Z Class	0.11	0.15	-	-	0.11	0.15
AUD Z Class	-	-	-	-	-	-
GBP Y Class	0.86	0.90	-	-	0.86	0.90
USD Y Class	0.86	0.90	0.25	-	1.11	0.90
<b>JOHCM Asia ex-Japan Fund</b>						
GBP Class A	1.07	1.11	-	-	1.07	1.11
EUR Class A	1.07	1.09	-	-	1.07	1.09
USD Class A	1.07	1.08	-	-	1.07	1.08
GBP Z Class	0.18	0.21	-	-	0.18	0.21
GBP Class B	1.67	1.71	-	-	1.67	1.71
EUR Class B	1.67	1.65	-	-	1.67	1.65
USD Class B	1.67	1.71	-	-	1.67	1.71
USD Z Class <sup>2</sup>	0.18	-	-	-	0.18	-

1 This share class was terminated on 16 April 2019.

2 This share class was launched on 12 February 2019.

## Appendix 1 (continued)

### Ongoing Charge Figure (continued)

Sub-fund	Ongoing charge figure (OCF)		Performance figure		Total expense figure	
	Period ended 30 June 2019 (ex perf fee)	Year ended 31 Dec 2018 (ex perf fee)	Period ended 30 June 2019	Financial year ended 31 Dec 2018	Period ended 30 June 2019	Financial year ended 31 Dec 2018
	%	%	%	%	%	%
<b>JOHCM Asia ex-Japan Small and Small and Mid-Cap Fund</b>						
GBP Class A	1.40	1.50	-	-	1.40	1.50
EUR Class A	1.40	1.50	-	-	1.40	1.50
USD Class A	1.40	1.50	-	-	1.40	1.50
GBP Z Class	0.77	1.02	-	-	0.77	1.02
GBP Class B	2.00	2.01	-	-	2.00	2.01
EUR Class B	2.00	2.01	-	-	2.00	2.01
USD Class B	2.00	2.00	-	-	2.00	2.00
<b>JOHCM Global Opportunities Fund</b>						
GBP Class A	0.82	0.89	-	-	0.82	0.89
EUR Class A	0.82	0.90	-	-	0.82	0.90
USD Class A	0.82	0.90	-	-	0.82	0.90
GBP Z Class	0.07	0.14	-	-	0.07	0.14
GBP X Class	0.69	0.75	-	-	0.69	0.75
GBP Class B	1.57	1.64	-	-	1.57	1.64
EUR Class B	1.57	1.65	-	-	1.57	1.65
USD Class B	1.57	1.64	-	-	1.57	1.64
GBP ND Z Class	0.07	0.14	-	-	0.07	0.14
GBP X Hedged Class	0.69	0.74	-	-	0.69	0.74
EUR X Class <sup>3</sup>	0.71	-	-	-	0.71	-
EUR Z Class <sup>4</sup>	0.07	-	-	-	0.07	-
<b>JOHCM Japan Dividend Growth Fund</b>						
GBP Class A	0.90	0.85	-	-	0.90	0.85
EUR Class A	-	-	-	-	-	-
USD Class A	0.90	0.84	-	-	0.90	0.84
GBP Class A Hedged	0.90	0.79	-	-	0.90	0.79
USD Class A Hedged	0.90	0.79	-	-	0.90	0.79
EUR Class B	1.53	1.47	-	-	1.53	1.47
GBP Seed Class	0.50	0.46	-	-	0.50	0.46
<b>JOHCM US Small Mid Cap Equity Fund</b>						
GBP Class A	0.94	1.12	0.03	0.55	0.98	1.67
EUR Class A	0.94	1.09	0.04	0.60	0.98	1.69
USD Class A	0.91	1.08	0.04	0.59	0.95	1.66
EUR Class B	1.68	2.00	-	0.30	1.68	2.30
USD Class B	1.67	1.83	-	0.33	1.67	2.17
USD Seed Class	0.44	0.50	0.06	0.67	0.50	1.17
<b>JOHCM European Concentrated Value Fund</b>						
EUR Class A	0.80	0.82	-	0.01	0.80	0.83
USD Class B	1.30	1.32	-	-	1.30	1.32
EUR Class B	1.30	1.32	-	-	1.30	1.32
SGD Hedged Class B	1.30	1.32	-	0.16	1.30	1.48
EUR Z Class <sup>5</sup>	0.05	-	-	-	0.05	-

<sup>3</sup> This share class was launched on 25 April 2019.

<sup>4</sup> This share class was launched on 10 May 2019.

<sup>5</sup> This share class was launched on 25 April 2019.

**Ongoing Charge Figure (continued)**

Sub-fund	Ongoing charge figure (OCF)		Performance figure		Total expense figure	
	Period ended 30 June 2019 (ex perf fee)	Year ended 31 Dec 2018 (ex perf fee)	Period ended 30 June 2019	Financial year ended 31 Dec 2018	Period ended 30 June 2019	Financial year ended 31 Dec 2018
	%	%	%	%	%	%
<b>JOHCM Global Smaller Companies Fund</b>						
USD Class A	1.25	1.24	-	0.10	1.25	1.34
<b>JOHCM UK Dynamic Fund</b>						
GBP Class Y	0.68	0.68	-	-	0.68	0.68
<b>JOHCM Global Income Builder Fund*</b>						
GBP Class A <sup>6</sup>	1.03	1.15	-	-	1.03	1.15
EUR Class A <sup>6</sup>	0.82	1.11	-	-	0.82	1.11
USD Class A <sup>8</sup>	1.01	-	-	-	1.01	-
EUR Class B <sup>6</sup>	1.88	2.17	-	-	1.88	2.17
GBP Seed Class <sup>7</sup>	0.50	0.51	-	-	0.50	0.51
SGD Class A <sup>8</sup>	1.01	-	-	-	1.01	-
<b>JOHCM Concentrated Global Share Fund**</b>						
GBP Class A	1.25	1.25	-	0.19	1.25	1.45

6 These share classes were launched on 30 April 2018.

7 This share class was launched on 11 April 2018.

8 This share class was launched on 04 April 2019.

\* JOHCM Global Income Builder Fund launched on 11 April 2018.

\*\* JOHCM Concentrated Global Share Fund launched on 30 November 2018.

## Appendix 2

### Securities financing transactions

As the Company undertakes securities lending it is required to report on Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities on commodities lending and securities on commodities borrowing and margin lending transactions).

Please read this Appendix in conjunction with note 14 Stock Lending.

### CONCENTRATION DATA

#### Top 10 issuers

Issuer name	Volume	Amount of collateral GBP
Japan Government Ten Year Bond	6,501,509,137	49,259,843
French Republic Government Bond OAT	35,129,118	39,103,464
United Kingdom Gilt	20,070,565	26,129,971
Canadian Mortgage Pools	43,471,996	22,402,633
United States Treasury Note/Bond	26,598,001	21,789,409
Berkshire Hathaway Inc	105,896	17,702,150
United Kingdom Gilt Inflation Linked	8,273,867	17,418,247
Royal Dutch Shell PLC	619,736	16,004,683
Toronto-Dominion Bank/The	259,863	11,895,342
Republic of Austria Government Bond	9,978,747	11,806,281

#### Top 10 counterparties

Counterparty name	Country name	Amount of collateral GBP
Natixis	France	85,692,978
Deutsche Bank Ag	Germany	73,601,052
Scotia Capital	Canada	60,474,542
Mizuho Securities Usa	United States of America	49,259,773
RBC Dominion Securities	Canada	34,914,930
TD Securities	Canada	32,657,516
BNP Paribas Arbitrage	France	24,110,725
Morgan Stanley & Co. Intl Plc	United Kingdom	21,409,419
Credit Suisse Securities Eur Ltd	United Kingdom	17,674,953
NBC Global Finance Limited	Ireland	17,224,893

### AGGREGATE TRANSACTION DATA

#### Type of collateral

Collateral	Volume	Amount of collateral GBP
Bonds	6,753,699,311	268,693,197
Equities & Equivalent	24,280,692	328,715,655

## Appendix 2 (continued)

### Securities financing transactions (continued)

#### Maturity tenure of collateral

Maturity	Amount of collateral
	GBP
Less than one day	-
One day to one week	340,085
One week to one month	1,609,933
One month to three months	2,413,886
Three months to one year	10,473,079
Above one year	253,856,214
No maturity date	328,715,655

#### Currencies of securities collateral

Currencies	Volume	Amount of collateral
		GBP
AUD	3,574,807	3,848,582
CAD	104,532,700	144,260,425
CHF	491,209	6,529,672
DKK	9,601,649	2,218,831
EUR	80,270,869	109,540,765
GBP	46,774,229	136,010,120
JPY	6,501,638,729	51,314,911
NOK	42,762	625,279
SEK	32,737	763,759
USD	31,020,312	142,296,508

#### Countries of counterparties

Countries	Volume	Amount of collateral
		GBP
Australia	33,827	1,024,228
Canada	95,038,405	171,375,367
Danemark	9,600,001	2,185,185
France	34,541,552	122,141,722
Germany	25,148,438	87,339,427
Ireland	4,120,120	26,307,716
Spain	364,061	8,438,867
Sweden	5,328,634	9,545,137
Switzerland	152,610	160,179
United Kingdom	101,224,194	118,862,254
United States of America	6,502,428,161	50,028,770

#### Safe keeping of collateral received

Depositories	Amount of collateral asset safe-kept
	GBP
RBC Investor Services Bank S.A.,	597,408,852







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