

JOHCM UK Growth Fund

Fund overview

- Objective: to generate long-term capital growth in excess of the FTSE All-Share Return Index
- Fund managers Mark Costar and Vishal Bhatia seek to identify mispriced or undiscovered growth stocks with a perceived high margin of safety but significant upside potential
- A stock-picking fund that invests across the market cap range, albeit with a historic bias towards small-cap stocks

A GBP

ISIN: IE0033009345

Fund details

Fund size	GBP 492.04m
Strategy size	GBP 505.31m
Launch date	6 November 2001
Benchmark	FTSE All-Share TR (12pm adjusted)
No. of holdings	59
Domicile	Ireland
Fund structure	UCITS
Tax status	UK reporting status
Denominations	GBP
Valuation point	12pm Dublin time

Fund managers



Mark Costar

Senior Fund Manager

Mark has managed the Fund since launch. He joined JOHCM in 2001 and has 29 years of industry experience.



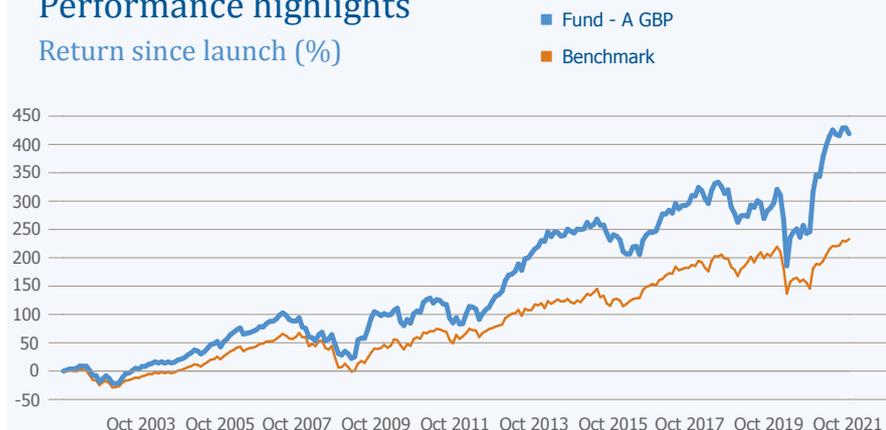
Vishal Bhatia

Senior Fund Manager

Co-manager Vishal joined JOHCM in 2007 and has managed the Fund alongside Mark since 2011. He has 17 years of industry experience.

Performance highlights

Return since launch (%)



Return history

	1m	3m	1yr	3yr	5yr	10yr	SL	Annualised*
A GBP	-1.96	0.68	49.97	33.21	50.52	167.02	418.81	8.58
Benchmark	1.32	3.57	35.48	17.39	31.21	103.26	232.96	6.20
Quartile**	4	3	1	1	1	1	1	-

Discrete 12 month performance to

	31.10.2021	31.10.2020	31.10.2019	31.10.2018	31.10.2017
A GBP	49.97	-10.83	-0.39	-5.00	18.94

Past performance is no guarantee of future performance.

The value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested. The Fund's investment include shares in small-cap companies and these tend to be traded less frequently and in lower volumes than larger companies making them potentially less liquid and more volatile.

NAV of Share Class A in GBP, net income reinvested, net of fees. The A GBP Class was launched on 7 May 2003. During the period 6 November 2001 to 7 May 2003 the performance record is based on the pre-existing share class that had a higher management fee. Performance of other share classes may vary and is available on request.

*Annualised since launch. **Sector quartile ranking: IA UK All Companies, and Lipper Global Equity UK domiciled in the UK, offshore Ireland, or offshore Luxembourg.

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Portfolio analysis (%)

Data as at 31 October 2021

Active bets

Top 10	Relative
Associated British Foods	3.6
Standard Chartered	3.5
BT	3.4
BP	3.3
NCC Group	3.0
Rank	2.6
Just Retirement	2.5
Rolls-Royce	2.5
RBS	2.4
First Derivatives	2.3
Bottom 10	Relative
Diageo	-3.4
Shell	-3.4
HSBC	-3.3
GSK	-3.0
British American Tobacco	-2.4
Glencore	-2.0
RELX	-1.7
Prudential	-1.7
BHP	-1.6
Reckitt Benckiser	-1.5

Sector breakdown

	Absolute	Relative
Technology	18.7	17.2
Telecommunications	3.8	2.0
Industrials	14.1	1.0
Energy	8.8	0.3
Health Care	9.3	-0.8
Consumer Discretionary	11.4	-1.2
Real Estate	0.2	-3.0
Utilities	0.0	-3.0
Basic Materials	5.4	-3.5
Consumer Staples	8.8	-5.3
Financials	17.0	-6.1
Cash	2.5	2.5

Market cap breakdown

	Absolute
FTSE 100	42.8
FTSE 250	19.6
FTSE Small	35.1
Cash	2.5

FTSE Small = FTSE Small Cap, FTSE Fledgling and FTSE AIM

Attribution & contribution (%)

Stock attribution

Top contributors	Relative return
Standard Chartered	0.39
TruFin	0.20
ALFA	0.14
Barclays	0.11
1Spatial	0.10
Top detractors	
AO World	-0.91
BT	-0.55
HSBC	-0.34
N Brown Group	-0.32
First Derivatives	-0.32

Sector attribution*

	Relative return
Financials	0.09
Real Estate	-0.04
Utilities	-0.11
Energy	-0.13
Basic Materials	-0.13
Health Care	-0.18
Consumer Staples	-0.23
Industrials	-0.43
Telecommunications	-0.47
Technology	-0.80
Consumer Discretionary	-1.39

*Excludes cash

Please note that due to rounding breakdowns may not add to 100.00%. All Attribution figures are as at end of day and are calculated on a gross basis.



Fund manager's commentary

- Global stockmarkets continue to grind relentlessly higher despite supply challenges and clear inflationary pressures.
- The fund underperformed over the month driven partially by size profile (the FTSE 100 notably outperformed small and AIM over the month), mix impacts and some stock specific impacts.

Global stockmarkets continue to grind relentlessly higher despite supply challenges and clear inflationary pressures as sustained and relentless demand recovery meets a partially fractured ecosystem. Persistently dovish and highly accommodative stances by Central Banks are very clearly the driving force behind a lot of this, simultaneously pushing real yields to record lows and driving the mix in the market with highly valued long duration and more speculative assets leading the charge.

Despite being the fastest growing economy in the G7 this year and with GDP forecasts being substantially higher than where they started the year, the UK market continues to be a notable laggard and particularly so in October. With a further \$9.5bn having bled out of the market so far this year, following on from a cumulative \$42bn post the Brexit vote, it remains the very definition of friendless. Noisy political headlines and more headbutting with the EU do not help the narrative, overshadowing what was a growth and investment friendly budget and a broadly strong set of q3 results at the company level. But the valuation stretch is getting extreme, and, sitting on a record high discount of 46% to the MSCI World, it is no wonder corporate and PE buyers continue to feast on mispriced UK assets and directors continue to dig into their pockets and mop up their own equity (UKGrowth alone has had 80 individual director buys so far this year totalling well over £30m).

The fund underperformed over the month driven partially by size profile (the FTSE 100 notably outperformed small and AIM over the month), mix impacts (referred to above) and some stock specific impacts, notably AO World, which we covered last month. The stock has continued to drift since then, with investors fearing further short term pain; we understand that thought process and are not naive to the implications, but it is precisely this near term uncertainty that is driving such an attractive opportunity. For a business we believe can organically more than double the turnover from here at attractive long term EBITDA margins, deliver strong free cashflow and has that delivered 69% post COVID growth, we foresee a very sharp bounce and substantial triple digit upside when the dust finally settles.

Elsewhere in the portfolio we have been adding to our Euromoney position after an excellent trading update, validating our thesis of impending revenue inflection and building on the companies strong IP and high quality, recurring subscription base. We have taken similar action in Accesso, where demand for its class leading suite of digital and ecommerce tools continues to accelerate, sufficiently so to necessitate yet another positive profit warning and yet another round of director share purchases. Meanwhile we have been selling (and have now fully exited) our holding in PRS Reit. This has proved to be a successful, low risk investment in an area that is now attracting substantial institutional and infrastructure interest; it is also a good validation of the cross fertilisation that can be generated from employing a multi-cap process, with the original idea stemming from the knowledge built up from our position in Sigma Capital, itself taken over at a healthy premium earlier in the year.

Performance over 1 month	%
Fund - A GBP	-1.96
Benchmark	1.32

Statistics

	Annualised since launch
Active share* (%)	79.51
Fund volatility (%)	17.26
Benchmark volatility (%)	17.10
Alpha	2.81
R squared	0.84
Correlation	0.92
Tracking error (%)	6.82
Information ratio	0.35
Sharpe ratio	0.40

Data calculated weekly.

*The proportion of stock holdings in a fund's composition is different from the composition found in its benchmark. The greater the difference between the composition of the fund and its benchmark, the greater the active share.

Fund awards & ratings



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Country registration

	A GBP	B GBP
Austria	✓	✓
France	✓	✓
Germany	✓	✓
Ireland	✓	✓
Luxembourg	✓	✓
Netherlands	✓	✓
Singapore	✓	✓
Spain	✓	✓
Sweden	✓	✓
Switzerland	✓	✓
UK	✓	✓

Regulatory documents

English language KIIDs can be found on our website at www.johcm.com

Foreign language versions are available on request by calling +44 (0) 20 7747 5646

Share class details (Further details on additional share classes are available on request)

	ISIN	SEDOL	Bloomberg	WKN	Initial charge	Annual charge	Ongoing charge	Minimum investment*
A GBP	IE0033009345	3300934	JHCMUKI ID	A0BKXR	Up to 5%	0.75%	0.81%	£1,000
B GBP Class	IE0031005543	3100554	JHCMUKG ID	A0BKXQ	Up to 5%	1.25%	1.31%	£1,000

Performance fee: 15% on excess if Fund outperforms benchmark, calculated daily. Any underperformance carried forward.

Ongoing Charge is as at 29 October 2021.

*Other currency equivalents apply.

Important information

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