

JOHCM European Select Values Fund

Fund overview

- The Fund aims to generate long-term capital growth through active management of a portfolio of listed European equities
- Senior Fund Manager Robrecht Wouters has a highly selective, value-oriented investment style which focuses on undervalued pan-European companies that generate high returns on capital. His stock-picking approach is unconstrained by benchmark weightings and combines traditional 'value' investing (focusing on attractive valuations) and 'quality' characteristics, such as high return on capital employed
- Benchmark: MSCI Europe Index
- The use of the Index does not limit the investment decisions of the fund manager therefore the shareholdings of the Fund may differ significantly from those of the Index
- Please refer to the Prospectus/KID for further information

Share class: A GBP Class

ISIN: IE0032904223

Fund details

Fund size	GBP 87.75m
Strategy size	GBP 121.26m
Launch date	7 May 2003
Benchmark***	MSCI Europe NR Index (12pm adjusted)
No. of holdings	36
Domicile	Ireland
Fund structure	UCITS
Tax status	UK reporting status
Denominations	GBP, EUR
Valuation point	12pm Dublin time

Total strategy assets updated quarterly and shown as at 31 March 2024.

Fund managers



Robrecht Wouters

Senior Fund Manager

Robrecht has managed the Fund since mid-2008. He joined JOHCM in 2003 and has 34 years of industry experience.



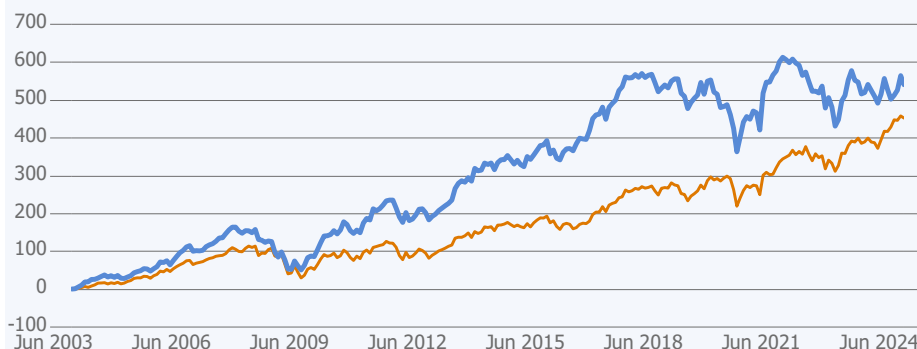
Luis Fañanas

Fund Manager

Luis has worked on the Fund since he joined JOHCM in 2015 and has 28 years of industry experience.

Performance highlights

Return since launch (%)



Return history

	1m	3m	1yr	3yr	5yr	10yr	SL	Annualised*
A GBP Class	-3.60	4.58	3.35	-9.39	-1.44	44.86	540.64	9.17
Benchmark	-1.02	0.84	12.88	22.97	42.82	104.24	452.35	8.41
Quartile**	4	1	4	4	4	4	1	-

Discrete 12 month performance to end of June

	06.24	06.23	06.22	06.21	06.20	06.19	06.18	06.17	06.16	06.15
A GBP Class	3.35	7.08	-18.12	27.08	-14.40	2.82	-3.99	26.80	13.44	3.50

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. For further information on risks please refer to the Fund's KID and/or the Prospectus.

*Annualised since launch. **Refers to the fund's ranking in a peer group of funds made up from all funds classified as Europe including UK by either the Investment Association (IA) or Lipper Global. Funds included may be domiciled in the UK, Ireland, or Luxembourg.

NAV of Share Class A in GBP, net income reinvested, net of fees. The A GBP Class was launched on 7 May 2003.***Benchmark: MSCI Europe NR Index (12pm adjusted). During the period 7 May 2003 to 31 December 2012 the Fund was benchmarked against the FTSE Eurofirst 300 TR Index. For the period 1 January 2013 to present the Fund is benchmarked against the MSCI Europe NR Index (12pm adjusted). Performance of other share classes may vary and is available on request.

Contact details

Dealing & Investing
+353 1 434 5239

Fax
+353 1 553 9436

Email: JOH_Offshore_TAQueries@ntrs.com



Portfolio analysis (%)

Data as at 30 June 2024

Top 10 holdings

	Absolute	Relative
Oracle	6.4	6.4
Grifols	5.8	5.8
Oerlikon	4.9	4.9
United Internet	4.4	4.4
Danone	4.2	3.9
Thyssen Krupp	4.0	4.0
Liberty Global	3.9	3.9
Corbion	3.9	3.9
Elior	3.7	3.7
Ceconomy	3.5	3.5
Total	44.7	

Sector breakdown

	Absolute	Relative
Consumer Staples	19.5	9.0
Communication Services	11.2	8.2
Materials	14.5	8.1
Information Technology	13.0	4.5
Energy	9.4	4.0
Consumer Discretionary	10.9	0.7
Real Estate	0.0	-0.8
Utilities	0.0	-3.8
Industrials	12.5	-4.0
Health Care	7.6	-8.8
Financials	0.0	-18.4
Cash	1.4	1.4

Country breakdown

	Absolute	Relative
Germany	27.6	14.5
France	11.1	-6.0
Switzerland	10.2	-4.5
Netherlands	9.5	1.3
United Kingdom	9.0	-13.6
Spain	5.8	1.8
Italy	4.3	0.2
Finland	3.5	2.0
Norway	2.3	1.4
Other	15.3	1.7
Cash	1.4	1.4

Market cap breakdown

	Absolute	Relative
Large (>EUR 5bn)	41.0	-58.6
Mid (EUR 2 - 5bn)	26.6	26.2
Small (<EUR 2bn)	31.1	31.1
Cash	1.4	1.4

Attribution & contribution (%)

Sector attribution*

	Relative return
Information Technology	0.42
Financials	0.34
Industrials	0.32
Consumer Staples	0.28
Utilities	0.06
Real Estate	0.03
Communication Services	-0.13
Energy	-0.32
Materials	-0.76
Consumer Discretionary	-1.55
Health Care	-1.67

*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. Other includes: Portugal, Belgium, Austria, Denmark, Ireland, Sweden and non-benchmark countries. Please note cash figure includes a put option of 0.22%.



Fund manager's commentary

- European equities stagnated in June due to political uncertainty, with French elections leading to underperformance in the region and for the fund
- Political risks in France impacted French small caps, especially labour-intensive businesses like Elior, which declined after a strong May
- Oracle, a long term holding, rallied on rapid accelerating cloud backlog growth. Despite trading on all-time highs, the quality value case remains very attractive

European equities paused in June, returning -0.26%. Electoral news dominated the headlines: early June European parliament elections resulted in meaningful losses for the incumbent national governing parties and polarisation of the electorate. The French President called a surprise general election for early July. As a consequence, French equities underperformed the European benchmark by almost 6%.

Uncertainty led European small caps to surrender their recovery from previous months. They underperformed by almost 2.5%, and in this context, the fund also gave back part of recent strong performance, with a negative relative return of 2.6% in June. The fund's underperformance was broad-based, with no stand-out performers apart from two strong positive contributors, Oracle and Newlat Food, and two significantly negative contributions from Elior and Grifols that cancelled each other out.

Software vendor Oracle, a holding of the Fund since December 2009, reported in-line quarterly/annual results but very strong (and again) accelerating backlog growth of its cloud and support software 'contract book'. Oracle's shares rallied 20%. Also called Remaining Performance Obligations (RPO), Oracle's average next 12 months organic backlog or RPO growth has steadily increased, from 3% in 2021 to 9.6% in 2022, to 12.8% in 2023 and 15.2% now (and even +18% in the last quarter of the year). This is a key forward indicator of Oracle's highly recurring subscription revenue growth that has become 75% of total revenues. These recurring revenues are growing faster and faster as Oracle's large installed base of high-end, mission-critical database and application customers are starting to migrate from on-premise to the cloud. Because superior price/performance is especially relevant in extremely high-volume environments, Oracle technology is also gaining traction with new customers in the Artificial Intelligence (AI) space. Unlike the early days of our investment, today, Oracle's stock trades on all-time highs and 24x forward earnings, but this simple value metric overlooks forward growth visibility and sustainability and, importantly, the fact that the marginal return on Oracle's significant cloud 'growth' capex (which depresses reported free cash flow) exceeds 50% after tax. The quality value case remains; we maintain our holding.

Following an investor presentation in early June in which Newlat's management explained the Princess acquisition, Newlat Food rallied by over 50%. We elaborated on the deep value investment case and purchase of Newlat Foods in last month's commentary. We maintained our position.

The political uncertainty in France left its mark on French small caps, especially on labour-intensive companies such as food caterer Elior (risk of higher labour costs in case of a nationalist victory). After a strong rally in May, following good results, Elior gave back -28% in June. Step-by-step Pharma group Grifols is rebuilding investor confidence, but the stock remains volatile and receded -15% despite this month's successful disposal of a 20% equity stake in Shanghai RAAS (for USD1.7bn).

Portfolio activity was very limited in June, but the fund's upside to Intrinsic Value remained significant: 151%.

Performance over 1 month	%
Fund - A GBP Class	-3.60
Benchmark	-1.02

Statistics

	Annualised since launch
Active share* (%)	96.63
Fund volatility (%)	15.76
Benchmark volatility (%)	16.05
Alpha	1.68
R squared	0.83
Correlation	0.91
Tracking error (%)	6.76
Information ratio	0.11
Sharpe ratio	0.51

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.

Country registration

	A GBP	B GBP	A EUR	B EUR
Austria	✓	✓	✓	✓
Belgium	x	x	✓	✓
Denmark	✓	✓	✓	✓
Finland	✓	✓	✓	✓
France	✓	✓	✓	✓
Germany	✓	✓	✓	✓
Ireland	✓	✓	✓	✓
Italy	x	x	✓	✓
Jersey	✓	✓	✓	✓
Liechtenstein	x	x	✓	✓
Luxembourg	✓	✓	✓	✓
Netherlands	✓	✓	✓	✓
Norway	✓	✓	✓	✓
Singapore	✓	✓	✓	✓
Spain	✓	✓	✓	✓
Sweden	✓	✓	✓	✓
Switzerland	✓	✓	✓	✓
UK	✓	✓	✓	✓

Swiss representative and paying agent

Copies of the fund's current prospectus, key investor information document (KID) and financial statements can be obtained free of charge from the Swiss Representative, 1741 Fund Solutions Ltd., Burggraben 16, 9000 St. Gallen, Switzerland.

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 Class	IE0032904223	3290422	JOHESSI ID	A0BLYV	Up to 5%	0.75%	0.82%	£1,000
B GBP Class	IE0032904009	3290400	JOHESVS ID	A0BLYT	Up to 5%	1.249%	1.31%	£1,000

Performance fee: A performance fee of 15% is payable on the excess if the NAV outperforms the Index Adjusted NAV (as defined in the Fund supplement) on an annual basis. The calculation is performed daily. Any underperformance is carried forward.

Ongoing Charge is as at 31 May 2024.

*Other currency equivalents apply.

Important information

Professional investors only.

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This is a marketing communication. Please refer to the fund prospectus and to the KIID / KID before making any final investment decisions.

These documents are available in English at www.johcm.com, and available from JOHCM, or (for UK investors) JOHCM, at the addresses set out above.

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The investment promoted concerns the acquisition of shares in a fund and not the underlying assets.

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.

Investments may 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.

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