

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

ISIN: IE0032904223

Fund details

Fund size	GBP 84.64m
Strategy size	GBP 87.75m
Launch date	7 May 2003
Benchmark***	MSCI Europe NR Index (12pm adjusted)
No. of holdings	35
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 30 June 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.



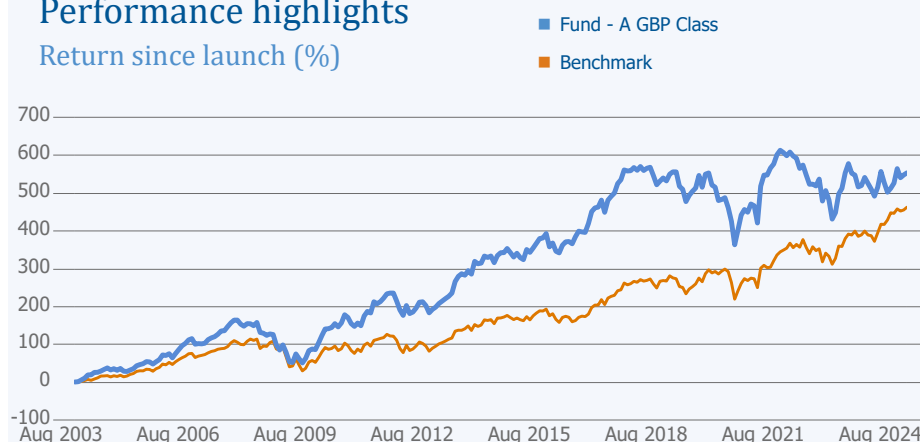
Luis Fañanas

Fund Manager

Luis has worked on the Fund since he joined JOHCM in 2015 and has 29 years of industry experience.

Performance highlights

Return since launch (%)



Return history

	1m	3m	1yr	3yr	5yr	10yr	SL	Annualised*
A GBP	0.86	-1.67	4.44	-7.76	5.21	48.30	553.51	9.20
Benchmark	1.31	0.82	15.05	20.38	44.73	108.82	462.60	8.43
Quartile**	3	4	4	4	4	4	1	-

Discrete 12 month performance to end of August

	08.24	08.23	08.22	08.21	08.20	08.19	08.18	08.17	08.16	08.15
A GBP	4.44	7.57	-17.89	24.07	-8.07	-5.33	-1.70	19.04	25.71	1.22

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 31 August 2024

Top 10 holdings

	Absolute	Relative
Grifols	7.6	7.6
Oracle	5.6	5.6
Elior	4.7	4.7
Corbion	4.6	4.6
Danone	4.5	4.1
United Internet	4.3	4.3
Oerlikon	4.2	4.2
Liberty Global	4.1	4.1
Harbour Energy	3.8	3.8
Thyssen Krupp	3.2	3.2
Total	46.6	

Sector breakdown

	Absolute	Relative
Consumer Staples	20.0	9.3
Communication Services	11.5	8.3
Materials	14.0	7.8
Information Technology	12.0	4.4
Energy	8.5	3.4
Consumer Discretionary	12.1	2.5
Real Estate	0.0	-0.9
Utilities	0.0	-4.1
Industrials	11.5	-5.2
Health Care	9.4	-7.8
Financials	0.0	-18.8
Cash	1.0	1.0

Country breakdown

	Absolute	Relative
Germany	27.0	13.7
France	12.0	-5.2
Netherlands	9.9	2.4
United Kingdom	9.8	-12.8
Switzerland	9.5	-5.8
Spain	7.6	3.5
Italy	4.2	0.0
Finland	3.7	2.2
Norway	2.0	1.1
Other	13.2	0.0
Cash	1.0	1.0

Market cap breakdown

	Absolute	Relative
Large (>EUR 5bn)	44.0	-55.7
Mid (EUR 2 - 5bn)	20.9	20.6
Small (<EUR 2bn)	34.0	34.0
Cash	1.0	1.0

Attribution & contribution (%)

Sector attribution*

	Relative return
Consumer Staples	0.46
Industrials	0.30
Information Technology	0.20
Health Care	0.11
Financials	0.05
Real Estate	-0.02
Utilities	-0.03
Energy	-0.10
Materials	-0.13
Consumer Discretionary	-0.24
Communication Services	-0.61

*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: Belgium, Portugal, 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 dropped almost 6% in early August but rebounded to +1.63% by month-end, while European small caps declined by 0.32%
- European small caps now trade at a discount to large caps, presenting extreme valuation opportunities, with the Fund's weighted average upside at 156% as at the end of August
- Small and midcap companies faced operational challenges from recent economic events but are now taking initiatives to grow earnings and unlock value through spin-offs and partial sales

Further disappointing economic data in the US and Europe triggered a sharp sell-off at the start of August (European equities dropped almost 6% in the first week), but very quickly, the anticipation of faster policy easing as a consequence of these poor data triggered a sharp market rally: European equities returned 1.63% (in euro terms) in August. In times of sharply rising volatility, small caps typically struggle to keep pace with the bounce back of large caps and indeed, in August, European small caps declined by 0.32%. These market gyrations kept back somewhat the Fund's performance with a 1.13% return (in euro terms).

There were no material stock-specific contributions to report, and portfolio activity was limited.

The proportion of small and midcap investments in the Fund (companies with a market cap below EUR5bn) is now 60% compared to 40% some three years ago. The Fund's small-cap exposure is now at similar 2008/2009 peak levels, and this is no coincidence. Over the last three years, small caps have dramatically underperformed large caps by over 25%, and the consequent valuation opportunity has steered our direction of travel. In general, European small-caps now trade on a clear discount to large caps, whereas historically, they would trade on a premium.

For a focused, active investor, many extreme valuation opportunities (or 'absurdities') exist. This explains why the weighted average upside of the Fund's investments stood at 156% at the end of August. There seem to be many causes for the valuation disconnects, increased passive and top-down quant strategies, themed ETFs (which favour liquid names), etc., and these trends can well persist and support valuation distortions for longer than we like. Note that these crowded flow strategies need a continuous bull market for self-support.

But also note that economic reality has been operationally very challenging for small and midcaps in particular: in the last 3-4 years, a sequence of several (almost) black swan economic events (Covid, Ukraine, Inflation) hit small and mid-sized companies in particular and delayed their operational and earnings recovery. Slowly and surely, we see the small and midcap company managers getting back on the front foot and taking the initiative to grow earnings and tackle the apparent valuation anomalies of their companies. In the Fund, several of 'our' companies are in the process of or are planning to spin off or partially sell significant parts of their business to unlock value (e.g. Liberty Global, Oerlikon, Continental AG, ThyssenKrupp, Galp Energia, Wartsila).

Performance over 1 month	%
Fund - A GBP	0.86
Benchmark	1.31

Statistics

	Annualised since launch
Active share* (%)	96.63
Fund volatility (%)	15.71
Benchmark volatility (%)	16.01
Alpha	1.66
R squared	0.83
Correlation	0.91
Tracking error (%)	6.75
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	IE0032904223	3290422	JOHESSI ID	A0BLYV	Up to 5%	0.75%	0.82%	£1,000
B GBP	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 30 August 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.

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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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