

JOHCM Global Select Fund

Fund overview

- The Fund aims to generate long-term total returns through active management of a concentrated portfolio of listed global equities securities
- Fund managers Christopher Lees and Nudgem Richyal have a growth at a reasonable price (GARP) philosophy and aim for consistency of returns by exploiting multiple market anomalies/ inefficiencies
- They believe that they increase the probability of finding attractive stocks by looking where traditional growth investors do not look: stocks early in the growth life-cycle, off the beaten track, or in out of favour areas of the stock market that are recovering
- SFDR classification: Article 8. Please click [here](#) for further details
- Benchmark: MSCI AC World Index
- The Fund is managed on an 'unconstrained basis' with no restrictions in terms of regional or sector allocation versus its benchmark
- Please refer to the Prospectus/KID for further information

Share class: A EUR

ISIN: IE00B3DBRP41

Fund details

Fund size	EUR 1.30bn
Strategy size	EUR 2.80bn
Launch date	30 September 2008
Benchmark	MSCI AC World NR (12pm adjusted)
No. of holdings	36
Domicile	Ireland
Fund structure	UCITS
Tax status	UK reporting status
Denominations	GBP, EUR, USD
Valuation point	12pm Dublin time
SFDR	Article 8

Total strategy assets updated quarterly and shown as at 30 June 2024.

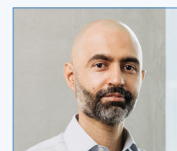
Fund managers



Christopher Lees

Senior Fund Manager

Chris has managed the Fund since launch. He joined JOHCM in 2008 and has 35 years of industry experience.



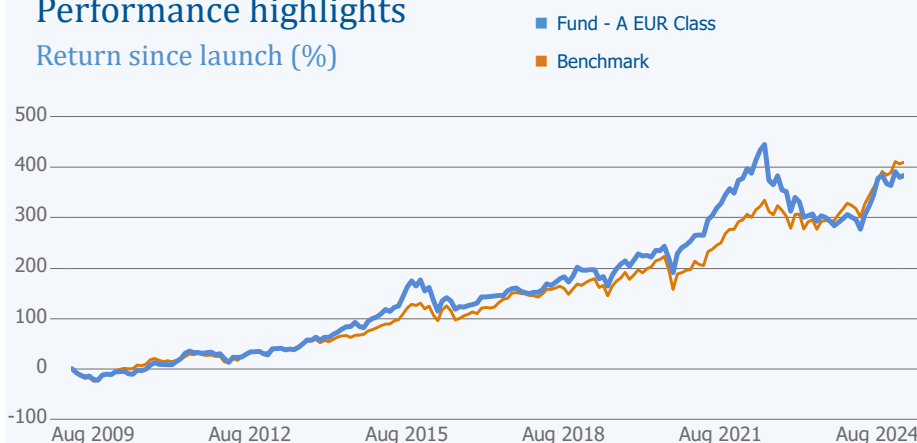
Nudgem Richyal

Senior Fund Manager

Nudgem has managed the Fund since launch. He joined JOHCM in 2008 and has 25 years of industry experience.

Performance highlights

Return since launch (%)



Return history

	1m	3m	1yr	3yr	5yr	10yr	SL	Annualised*
A EUR	0.81	4.31	20.67	-2.71	49.41	131.18	383.45	10.40
Benchmark	0.70	4.22	20.22	25.44	75.71	174.97	409.75	10.77
Quartile**	2	2	1	4	3	2	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 EUR	20.67	-7.03	-13.28	36.33	12.65	9.15	17.90	3.75	3.02	12.49

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. Investing in companies in emerging markets involves higher risk than investing in established economies or securities markets. Emerging Markets may have less stable legal and political systems, which could affect the safe-keeping or value of assets. 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 EUR, net income reinvested, net of fees. The A EUR Class was launched on 30 September 2008. Performance of other share classes may vary and is available on request.

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

Contact details

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Portfolio analysis (%)

Data as at 31 August 2024

Top 10 holdings

	Absolute	Relative
Nvidia	4.0	0.2
Microsoft	4.0	0.1
Eli Lilly and Company	3.1	2.1
Nu Holdings	3.1	3.0
Alphabet	3.1	0.7
Recruit	3.0	2.8
NEC	2.9	2.9
CRH	2.9	2.8
AppLovin	2.9	2.8
Intercontinental Exchange	2.8	2.7
Total	31.8	

Sector breakdown

	Absolute	Relative
Materials	10.7	6.7
Health Care	16.6	5.2
Financials	18.8	2.4
Information Technology	26.2	1.6
Consumer Discretionary	11.1	0.9
Industrials	10.2	-0.3
Communication Services	5.6	-1.9
Real Estate	0.0	-2.2
Utilities	0.0	-2.6
Energy	0.0	-4.2
Consumer Staples	0.0	-6.4
Cash	0.7	0.7

Active positions

Top 5	Relative
Nu Holdings	3.0
NEC	2.9
Recruit	2.8
AppLovin	2.8
Viking Therapeutics	2.8
Bottom 5	Relative
Apple	-4.4
Meta	-1.5
Taiwan Semiconductor	-0.9
JPMorgan Chase & Co.	-0.8
Berkshire Hathaway	-0.8

Regional breakdown

	Absolute	Relative
Japan	11.4	6.2
Emerging Latin America	5.5	4.6
United Kingdom	5.4	2.0
Emerging Europe & Middle East	0.0	-1.3
Europe ex UK	10.3	-1.4
Pacific ex Japan	0.0	-2.5
Emerging Asia	4.9	-3.2
North America	61.8	-5.3
Cash	0.7	0.7

Market cap breakdown

	Absolute	Relative
Large (>USD 10bn)	92.2	-3.7
Mid (USD 1 - 10bn)	7.1	3.0
Cash	0.7	0.7

Large = >USD 10bn, Mid = USD 1bn to USD 10bn, Small = <USD 1bn

Attribution & contribution (%)

Stock attribution

Top contributors	Relative return
Nu Holdings	0.51
MercardoLibre	0.45
AppLovin	0.37
Bank Mandiri	0.31
Eli Lilly and Company	0.28
Top detractors	Relative return
Chart Industries	-0.62
SK hynix	-0.25
Micron	-0.22
Synopsys	-0.21
Antofagasta	-0.20

Sector attribution*

	Relative return
Financials	0.87
Consumer Discretionary	0.60
Health Care	0.39
Energy	0.13
Utilities	-0.04
Real Estate	-0.06
Materials	-0.09
Consumer Staples	-0.15
Communication Services	-0.26
Information Technology	-0.51
Industrials	-0.54

*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

- The fund performed in-line with the index, with positive contribution from Japan offset by negative contribution from UK & Europe
- We think the early August equity market sell-off and then the mid-late August recovery were most likely symptoms of a Bull market correction, but we recognise the increased probability of a Bear market
- Pullbacks of more than 5% have occurred three times per year on average, corrections of over 10% have occurred once per year on average, and the bounce backs have usually seen above long-term average returns

Early August 2024 witnessed a very volatile period for global equity markets, largely driven by the Bank of Japan increasing interest rates, leading to a sharp appreciation in the yen. This triggered a rapid unwinding of many carry trades, initially leading to a sharp global equity sell off, followed by a steady recovery. Despite the initial sell-off, most of our Japanese stocks recovered and even outperformed in US dollar terms, highlighting the potential for undervalued Japanese restructuring assets. If anything, the volatility and focus around them may end up attracting newer marginal buyers to the Japanese market and our portfolio theme of Japanese corporate restructuring.

We think the early August equity market sell-off and then the mid-late August recovery were most likely symptoms of a Bull market correction, but we do recognise that recent events have increased the probability of it morphing into a Bear market. Since the 1930s, USA pullbacks of more than 5% have occurred 3x per year on average, corrections of over 10% have occurred 1x per year on average, and the bounce backs have usually been above long-term average returns.

The most volatile and worst hit in the early August global sell-off was the Japanese equity market, partly in response to the unwinding of the Yen carry trade. Monday, 5th August's 4,451-point drop in the Nikkei and the 310-point fall in the TOPIX were their biggest-ever daily points falls (second-biggest percentage daily falls after Tuesday, 20th October 1987, in response to US Black Monday crash). Their rally on Tuesday, 6th August 2024, by around 10%, was their biggest ever daily points rise. Despite this exceptional volatility in August, we delivered a positive performance contribution from our Japanese positions, with slightly negative asset allocation (overweight) being more than offset by positive stock selection.

Clients have been asking us if this volatility portends a historic rotation in the market's leadership. In response, here are some key data points from an excellent piece of research from Empirical Research Partners that looks at the market's large-cap/technology-related momentum leadership and uses past tech booms to provide some perspective on the potential range of outcomes from here.

In the past, stocks in the top quintile of price momentum have had a bit less than a 40% chance of outperforming over the following year when coming off stellar runs of outperformance like the last 12 months. To dig deeper, they looked specifically at four past tech booms (followed by busts) that have some resemblance to today's AI-fuelled surge: the Mainframe Era in the late 1960s, the PC Era of the early 1980s, the New Economy of the late 1990s, and the early-Pandemic stay-at-home tech plays.

They conclude that the opportunity cost of abandoning the momentum leadership is much higher now. Stocks in the highest quintile of price momentum currently have a cap-weighted free cash flow margin of 23%; back at the peak of the New Economy Era, the best-performing stocks had a minus 2% free cash flow margin. The cost of carry in the current leadership is (massively) positive, not negative. On the other hand, they point out that the free cash flow yield of the momentum leadership is (125) basis points below the market's yield. However, investors now believe in the durability of these significant free cash flows, circumscribing the upside and reducing the margin of safety if anything goes wrong.

Performance over 1 month	%
Fund - A EUR	0.81
Benchmark	0.70

Statistics

	Annualised since launch
Active share* (%)	82.79
Fund volatility (%)	18.49
Benchmark volatility (%)	17.29
Alpha	0.15
R squared	0.83
Correlation	0.91
Tracking error (%)	7.56
Information ratio	-0.05
Sharpe ratio	0.50

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	A EUR	B EUR	A USD	B USD
Austria	✓	✓	✓	✓	✓	✓
Denmark	✓	✓	✓	✓	✓	✓
Finland	✓	✓	✓	✓	✓	✓
France	✓	✓	✓	✓	✓	✓
Germany	✓	✓	✓	✓	✓	✓
Ireland	✓	✓	✓	✓	✓	✓
Italy	x	x	x	✓	✓	x
Jersey	✓	✓	✓	✓	✓	✓
Lithuania	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 EUR	IE00B3DBRP41	B3DBRP4	JHGLSIE ID	A0RCWN	Up to 5%	0.75%	0.77%	£1,000
B EUR	IE00B3DBRM10	B3DBRM1	JHGLSRE ID	A0RPNU	Up to 5%	1.498%	1.52%	£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.

Issued and approved in the UK by J O Hambro Capital Management Limited ("JOHCM") which is authorised and regulated by the Financial Conduct Authority. Registered office: Level 3, 1 St James's Market, London SW1Y 4AH. Issued in the European Union by Perpetual Investment Services Europe Limited ("PISEL") which is authorised by the Central Bank of Ireland. Registered office: 24 Fitzwilliam Place, Dublin 2, Ireland D02 T296. References to "JOHCM" below are to either JOHCM or PISEL as the context requires. Perpetual Group is a trading name of JOHCM and PISEL.

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 PISEL, or (for UK investors) JOHCM, at the addresses set out above.

Information on the rights of investors can be found [here](#)

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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.

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Investments 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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