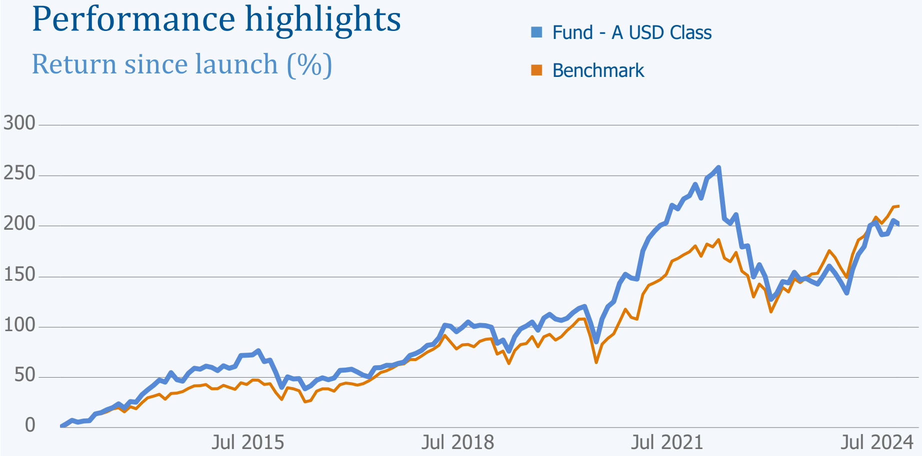
JOHCM Global Select Fund

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

Performance highlights

Return since launch (%)



Return history

	1m	3m	1yr	3yr	5yr	10yr	SL	Annualised*
A USD Class	-1.20	3.57	15.95	-8.57	42.14	91.28	201.81	9.64
Benchmark	0.23	5.63	16.01	16.51	66.14	126.06	219.72	10.17
Quartile**	4	4	2	4	3	2	1	-

Discrete 12 month performance to end of July

	07.24	07.23	07.22	07.21	07.20	07.19	07.18	07.17	07.16	07.15
A USD Class	15.95	-0.52	-20.73	35.75	14.52	5.43	17.47	9.48	-6.13	5.73

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 USD, net income reinvested, net of fees. The A USD Class was launched on 19 March 2013. During the period 1 August 2012 to 19 March 2013 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. **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.

Share class: A USD Class
ISIN: IE00B3T31Z22

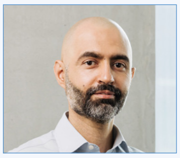
Fund details

Fund size	USD 1.51bn
Strategy size	USD 3.00bn
Launch date	30 September 2008
Benchmark	MSCI AC World NR (12pm adjusted)
No. of holdings	40
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 24 years of industry experience.

Contact details

Dealing & Investing
+353 1 434 5239

Fax
+353 1 553 9436

Email: JOH_Offshore_TAQueries@ntrs.com

www.johcm.com

Portfolio analysis (%)

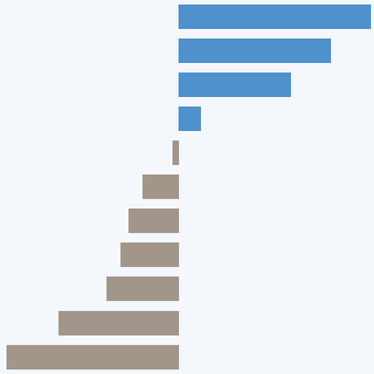
Data as at 31 July 2024

Top 10 holdings

	Absolute	Relative
Nvidia	3.9	0.0
Microsoft	3.2	-0.7
Zealand Pharma	3.2	3.2
Alphabet	3.2	0.6
NEC	2.8	2.8
Amazon	2.8	0.4
Broadcom	2.7	1.8
Vertex Pharmaceuticals	2.7	2.5
Recruit	2.7	2.6
Compass	2.7	2.6
Total	29.9	

Sector breakdown

	Absolute	Relative
Materials	11.1	7.0
Information Technology	30.5	5.6
Health Care	15.2	4.1
Financials	17.0	0.8
Consumer Discretionary	10.3	-0.1
Industrials	9.3	-1.3
Communication Services	5.7	-1.8
Real Estate	0.0	-2.1
Utilities	0.0	-2.6
Energy	0.0	-4.4
Consumer Staples	0.0	-6.3
Cash	1.0	1.0



Active positions

Top 5	Relative
Zealand Pharma	3.2
NEC	2.8
TPG	2.7
Compass	2.6
CRH	2.6

Bottom 5	Relative
Apple	-4.4
Meta	-1.4
Taiwan Semiconductor	-0.9
Tesla	-0.9
JPMorgan Chase & Co.	-0.8

Regional breakdown

	Absolute	Relative
Japan	10.0	4.7
Emerging Latin America	4.4	3.6
United Kingdom	5.0	1.6
Pacific ex Japan	1.5	-0.9
Emerging Europe & Middle East	0.0	-1.3
Europe ex UK	9.9	-1.6
Emerging Asia	4.7	-3.4
North America	63.6	-3.6
Cash	1.0	1.0

Market cap breakdown

	Absolute	Relative
Large (>USD 10bn)	91.8	-3.9
Mid (USD 1 - 10bn)	7.2	3.0
Cash	1.0	1.0

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

Attribution & contribution (%)

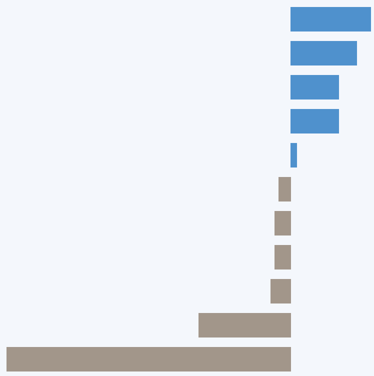
Stock attribution

Top contributors	Relative return
TPG	0.46
Ares Management	0.29
CRH	0.29
Compass	0.26
Chart Industries	0.22

Top detractors	
SK hynix	-0.56
Micron	-0.43
Cadence	-0.35
Fortescue Metals	-0.26
Eli Lilly and Company	-0.24

Sector attribution*

	Relative return
Financials	0.47
Industrials	0.39
Communication Services	0.29
Consumer Discretionary	0.28
Energy	0.01
Consumer Staples	-0.07
Materials	-0.09
Real Estate	-0.10
Utilities	-0.11
Health Care	-0.54
Information Technology	-1.68



*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

- We think the current equity market sell-off and volatility are most likely a Bull market correction, but we do recognise that recent events have increased the probability of it morphing into a Bear market
- Pullbacks of more than 5% have occurred three times per year on average and corrections of over 10% have occurred once per year on average. The bounce back has usually been above long-term average returns
- The most volatile and worst-hit so far in this global sell-off has been the Japanese equity market, which has hurt our performance in late July and so far in early August

We think the current equity market sell-off and volatility are most likely a Bull market correction. Still, we recognise that recent events have increased the probability of it morphing into a Bear market. As we write this after the market close on 6th August, the S&P 500 has retreated nearly 8% from its 16th July high, with a three-day pullback of over 6% in early August. Pullbacks of this magnitude are not unusual. Since the 1930s, USA pullbacks of more than 5% have occurred 3x per year on average, and corrections of over 10% have occurred 1x per year on average, and the bounce back has usually been above long-term average returns.

The most volatile and worst hit so far in this global sell-off has been the Japanese equity market, which has hurt our performance in late July and so far in August. 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.

The two Japanese indexes dropped about 25% from their all-time closing highs on 11th July to their closing lows on Monday 5th August, partly in response to the unwinding of the Yen carry trade. We think that's more than sufficient a correction and represents a compelling opportunity to buy the dip in Japan once the current exceptionally high volatility subsides and the currency stabilises.

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. 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.

Historical data from Bloomberg shows that USA equity drawdowns tend to be followed by above average returns. From 1928 to 2024, the average 3-, 6- and 12-month returns have been 2%, 4% and 8% respectively. After three-day drawdowns of 6% or more, the subsequent 3-, 6- and 12-month returns have been better than average at 7%, 9% and 15%, respectively. We are currently sifting through the wreckage of this global contagion/sell-off to find what we believe are some new exciting opportunities to add to the portfolio.

Performance over 1 month	%
Fund - A USD Class	-1.20
Benchmark	0.23

Statistics

	Annualised since launch
Active share* (%)	82.88
Fund volatility (%)	16.14
Benchmark volatility (%)	14.36
Alpha	-0.50
R squared	0.83
Correlation	0.91
Tracking error (%)	6.62
Information ratio	-0.08
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.

Fund awards & ratings

Bronze

Country registration

	A GBP	B GBP	A EUR	B EUR	A USD	B USD
Austria	✓	✓	✓	✓	✓	✓
Denmark	✓	✓	✓	✓	✓	✓
Finland	✓	✓	✓	✓	✓	✓
France	✓	✓	✓	✓	✓	✓
Germany	✓	✓	✓	✓	✓	✓
Ireland	✓	✓	✓	✓	✓	✓
Italy	✗	✗	✗	✓	✓	✗
Jersey	✓	✓	✓	✓	✓	✓
Lithuania	✗	✗	✓	✓	✓	✓
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 USD Class	IE00B3T31Z22	B3T31Z2	JHGLSIU ID	A1JT3G	Up to 5%	0.75%	0.78%	£1,000
B USD Class	IE00B5L7L670	B5L7L67	JHGLSRU ID	A1JT3H	Up to 5%	1.498%	1.53%	£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 July 2024.
*Other currency equivalents apply.

Important information