

# JOHCM UK Equity Income Fund

## Fund overview

- The Fund aims to generate long-term capital and income growth through active management of a portfolio of UK listed equities
- Established income investors James Lowen and Clive Beagles abide by a strict dividend yield discipline, which leads to an emphasis on higher-yielding stocks and promotes a naturally contrarian style
- The Fund will typically have significant exposure to small and mid-cap stocks, often giving the portfolio a different holdings profile to many other income funds
- Benchmark: FTSE All-Share Total Return Index
- The use of the Index does not limit the investment decisions of the fund manager; the shareholdings of the Fund may therefore differ significantly from those of the Index
- Please see the [Prospectus/KIID/KID](#) for further information. Please ensure you read and understand these documents before making an investment and wherever possible obtain professional advice

Share class: A Acc GBP

ISIN: GB00B03KR500

## Fund details

<b>Fund size</b>	GBP 1.67bn
<b>Strategy size</b>	GBP 1.89bn
<b>Launch date</b>	30 November 2004
<b>Benchmark</b>	FTSE All-Share TR (12pm adjusted)
<b>No. of holdings</b>	60
<b>Domicile</b>	UK
<b>Fund structure</b>	UCITS
<b>Denominations</b>	GBP
<b>Valuation point</b>	12pm Dublin time
<b>Historic Yield (%)</b>	4.87
<b>XD dates</b>	31 Mar, 30 Jun, 30 Sep, 31 Dec
<b>Pay dates</b>	31 May, 31 Aug, 30 Nov, 28 Feb

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

## Fund managers



**Clive Beagles**  
Senior Fund Manager

Clive has managed the Fund since launch. He joined JOHCM in 2004 and has 35 years of industry experience.

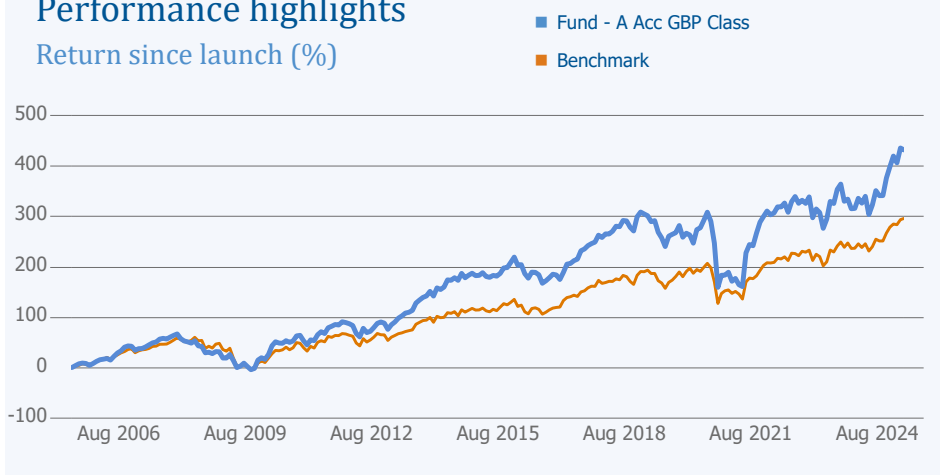


**James Lowen**  
Senior Fund Manager

James has managed the Fund since launch. He joined JOHCM in 2004 and has 30 years of industry experience.

## Performance highlights

Return since launch (%)



## Return history

	1m	3m	1yr	3yr	5yr	10yr	SL	Annualised*
A Acc GBP	-0.71	2.35	24.77	26.98	53.33	84.56	431.90	8.83
Benchmark	0.61	2.87	17.04	24.96	37.91	81.64	295.95	7.21
Quartile**	4	3	1	1	1	1	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 Acc GBP	24.77	4.61	-2.72	51.34	-20.21	-10.94	6.71	19.59	6.60	-0.66

### 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. 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. The annual management charge is deducted from the capital of the Fund. This will increase the income from the Fund but may constrain or erode potential for capital growth.

NAV of Share Class A in GBP, net income reinvested, net of fees. The A Acc GBP Class was launched on 30 November 2004. 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 UK Equity Income by the Investment Association (IA).

## Contact details

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## Portfolio analysis (%)

Data as at 31 August 2024

### Top 10 holdings

	Absolute	Relative
BP	5.2	2.3
Barclays	4.3	2.9
NatWest	3.7	2.8
Standard Chartered	3.6	2.9
Glencore	3.6	1.6
Aviva	3.5	3.0
Phoenix Group	3.2	3.0
ITV	3.0	2.9
Anglo American	2.8	1.7
HSBC	2.8	-2.3
<b>Total</b>	<b>35.7</b>	

### Sector breakdown

	Absolute	Relative
Industrials	21.2	9.1
Financials	33.2	8.7
Consumer Discretionary	14.8	4.0
Basic Materials	8.8	2.5
Real Estate	3.9	1.3
Telecommunications	1.7	0.5
Utilities	3.4	-0.4
Technology	0.0	-1.3
Energy	8.8	-1.4
Consumer Staples	1.8	-12.6
Health Care	0.0	-12.7
Cash	2.4	2.4

### Active positions

Top 5	Relative
Phoenix Group	3.0
Aviva	3.0
Standard Chartered	2.9
Barclays	2.9
ITV	2.9
Bottom 5	Relative
AstraZeneca	-8.1
Shell	-5.7
Unilever	-4.9
GSK	-2.7
RELX	-2.7

### Market cap breakdown

	Absolute
FTSE 100	53.3
FTSE 250	29.3
FTSE Small	16.4
Cash	2.4

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

## Attribution & contribution (%)

### Stock attribution

Top contributors	Relative return
Shell	0.31
Keller Group	0.23
TP ICAP	0.18
Costain Group	0.14
HSBC	0.12
Top detractors	Relative return
AstraZeneca	-0.56
GSK	-0.25
Diversified Energy Company	-0.17
London Stock Exchange	-0.16
Rolls-Royce	-0.15

### Sector attribution\*

	Relative return
Consumer Discretionary	0.23
Financials	0.18
Real Estate	0.03
Technology	0.03
Telecommunications	0.02
Energy	-0.02
Utilities	-0.08
Basic Materials	-0.09
Industrials	-0.32
Consumer Staples	-0.38
Health Care	-0.92

\*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

- A sharp fall in markets early in the month gave way to recovery as it became clear that growth remains positive and inflation moderate, with central banks ready to act
- The Fund underperformed in August, with a number of strong contributors outweighed by weakness in the energy and resource sectors
- We remain highly constructive, given an outlook of ongoing growth, falling interest rates and historically low valuations

Global stock markets were unsettled in the first part of August by a number of events. Commentary by the central bank of Japan on likely interest rate trajectory led to a sharp move in the USD / yen exchange rate. This could be the effective 'bell ring' to end the yen carry trade, at least in this form. It rapidly led to multiple knock-on events across global stock markets, including a sharp move lower in most major indices, and, in particular, US technology stocks. Volatility in the stock market coincided with a number of disappointing US economic data points, including the August Non-Farm Payroll report, which was weak. This created a growth scare which also pressured markets given the Fed had decided at the end of July not to cut or signal a future cut in rates, so policy error risk was also thrown into the mix. The Bank of England cut UK interest rates at the start of August by 25bps to 5%. In our view this was a welcome and the correct decision given inflation has receded. The one negative headline vis a vis the UK continues to be the Labour Party narrative that there is a large black hole in the national finances. We continue to think this is political posturing to paint the legacy they inherited in the worst possible light. There are negatives, but there is a materially offsetting positive that they are not articulating. The better-than-expected GDP is leading to tax receipts being higher than expected which largely offsets the negatives. Whilst this may be right fundamentally, it does not help consumer psychology to see headlines like this, with the risk that a real negative (depressing animal spirits) could emanate, at least temporarily, from the current narrative.

The upward trend of the UK stock market was jolted in early August by the triangulation of the end of the Japanese yen carry trade, a global growth scare driven by poor US data, and concern that the Fed was behind the curve. The market, at its worst point, was down 5%. As the month progressed, markets rallied, US data modestly recovered and the Fed (via Powell's Jackson Hole speech) made clear they would cut interest rates in September. The FTSE All Share index ended up 0.61%. The Fund was down -0.71%. Year-to-date, the Fund is up 17.91% compared to the market, which is up 11.62%. The risk-off trend in early August tested the Fund's absolute and relative performance. By the end of the month, this had been partly neutralised. This was a function of the general recovery in risk appetite but also continued strong results at a company level.

We believe that strong economic momentum, rate cuts, companies performing well and low valuations make for a favourable backdrop as we move into the last third of 2024. We are also, as a result of this combination, likely to see more M&A, after the traditional summer lull. The Fund has seen five bids year-to-date, of which three have consummated. We would expect to see more before the year is finished.

We remain highly constructive about the prospects for the Fund.

Performance over 1 month	%
Fund - A Acc GBP	-0.71
Benchmark	0.61

## Statistics

	Annualised since launch
Active share* (%)	80.57
Fund volatility (%)	18.08
Benchmark volatility (%)	16.41
Alpha	1.61
R squared	0.88
Correlation	0.94
Tracking error (%)	6.08
Information ratio	0.27
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 Acc GBP	A Dis GBP	B Acc GBP	B Dis GBP
Singapore	✓	✓	✓	✓
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 Acc GBP	GB00B03KR500	B03KR50	JOHUKIA LN	A0JLU1	5%	0.75%	0.79%	£1,000
A Dis GBP	GB00B03KP231	B03KP23	JOHUKII LN	A0JLU0	5%	0.75%	0.79%	£1,000
B Acc GBP	GB00B03KR831	B03KR83	JOHUKRA LN	A0JKW9	5%	1.25%	1.29%	£1,000
B Dis GBP	GB00B03KR617	B03KR61	JOHUKRI LN	A0JKW8	5%	1.25%	1.29%	£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 Prospectus) on an annual basis. The calculation is performed daily. Any underperformance is carried forward. Please note A Acc and A Dis share classes are not subject to a performance fee.

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.

These documents are available in English at [www.johcm.com](http://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.

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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