

JOHCM UK Growth Fund

Fund overview

- The Fund aims to generate long-term capital growth in excess of the FTSE All-Share Total Return Index through active management
- Fund managers Mark Costar and Vishal Bhatia seek to identify mispriced or undiscovered growth stocks with a perceived high margin of safety but significant upside potential
- A stock-picking fund that invests across the market cap range, albeit with a historic bias towards small-cap stocks
- SFDR classification: Article 8. Please click [here](#) for further details
- Benchmark: FTSE All-Share Total Return 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 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: X EUR Class

ISIN: IE00BLLV8825

Fund details

Fund size	EUR 204.49m
Strategy size	EUR 181.98m
Launch date	6 November 2001
Benchmark	FTSE All-Share TR (12pm adjusted)
No. of holdings	51
Domicile	Ireland
Fund structure	UCITS
Tax status	UK reporting status
Denominations	GBP
Valuation point	12pm Dublin time
SFDR	Article 8

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

Fund managers



Mark Costar

Senior Fund Manager

Mark has managed the Fund since launch. He joined JOHCM in 2001 and has 31 years of industry experience.



Vishal Bhatia

Senior Fund Manager

Co-manager Vishal joined JOHCM in 2007 and has managed the Fund alongside Mark since 2011. He has 19 years of industry experience.

Performance highlights

Return since launch (%)



Return history

	1m	3m	1yr	3yr	5yr	10yr	SL	Annualised*
X EUR	9.81	17.59	19.23	11.39	-	-	147.40	24.61
Benchmark	3.14	7.68	12.33	26.99	-	-	106.62	19.27

Discrete 12 month performance to end of April

	04.24	04.23	04.22	04.21	04.20	04.19	04.18	04.17	04.16	04.15
X EUR	19.23	-3.85	-2.84	54.56	-	-	-	-	-	-

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 KIID/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.

NAV of Share Class X in EUR, net income reinvested, net of fees. The X EUR Class was launched on 19 March 2020. Performance of other share classes may vary and is available on request.

*Annualised since launch.

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Portfolio analysis (%)

Data as at 30 April 2024

Active positions

Top 10	Relative
Funding Circle Holdings	4.2
Rank	3.5
Kooth	3.1
Associated British Foods	2.8
Gooch & Housego	2.8
PureTech Health	2.7
Standard Chartered	2.6
NCC Group	2.5
accesso	2.5
First Derivatives	2.3
Bottom 10	Relative
HSBC	-3.2
AstraZeneca	-3.2
Shell	-3.0
Unilever	-3.0
GSK	-2.8
RELX	-2.6
Diageo	-2.5
Rio Tinto	-2.5
Glencore	-2.4
British American Tobacco	-2.0

Sector breakdown

	Absolute	Relative
Technology	23.8	22.5
Industrials	14.6	2.6
Telecommunications	2.2	1.2
Energy	11.7	0.1
Financials	21.9	-1.9
Real Estate	0.0	-2.5
Utilities	0.0	-3.4
Basic Materials	3.3	-4.0
Health Care	7.7	-4.3
Consumer Discretionary	7.3	-4.4
Consumer Staples	5.8	-7.5
Cash	1.6	1.6

Market cap breakdown

	Absolute
FTSE 100	40.3
FTSE 250	11.6
FTSE Small	46.5
Cash	1.6

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

Attribution & contribution (%)

Stock attribution

Top contributors	Relative return
Funding Circle Holdings	1.74
Anglo American	0.60
Rank	0.60
accesso	0.49
Gresham Computing	0.43
Top detractors	
AstraZeneca	-0.34
Alphawave Semi	-0.31
HSBC	-0.29
Shell	-0.20
BT	-0.19

Sector attribution*

	Relative return
Financials	2.33
Consumer Discretionary	1.27
Technology	1.17
Industrials	1.02
Consumer Staples	0.37
Basic Materials	0.33
Real Estate	0.14
Utilities	0.10
Energy	-0.07
Telecommunications	-0.15
Health Care	-0.39

*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 UK and US markets are diverging, with the UK showing strong PMIs and a surplus of over £200bn, while the US faces persistent inflation and depleted pandemic savings
- April was a strong month for the Fund, with broad-based growth across stocks, sectors, and market capitalisations, driven by stronger-than-expected fundamental developments
- The UK continues to attract inbound corporate activity, with six approaches for portfolio assets in the last 12 months, suggesting more can be expected given the prevailing mispricing

Divergences in financial markets, across or within asset classes, are a fact of life. Excess returns in financial markets are typically made when *new divergences* emerge. Divergence is defined as "the act of moving away in thought, or actions, in different directions". With that in mind, it is worth observing the steadily accumulating evidence of precisely this between the UK and the US. The US consumer has run down their excess pandemic savings whilst, in the UK, the surplus is north of £200bn. UK PMIs are at the top of the G7 while slowing down in the US, with the latter also seeing lingeringly persistent inflation when it is a near certainty to be sub-2% domestically by June. Economics do not drive stock markets, of course, but they do inform them. The UK is extraordinarily cheap by any reasonable measure. The US is best judged by others who operate in that market, but with the relationship between the two having recently hit a near 50-year high, it is certainly not hard to argue the elastic is incredibly stretched. Markets are driven by the marginal buyer or seller, and the impact on price formation, sentiment, and momentum can be swift – Japan being a powerful recent example. Time will tell if the UK follows a similar trajectory, but the marked pick up in international interest, albeit from remarkably depressed levels, suggests it is, at the very least, a credible possibility.

April was a pleasingly strong month for the Fund on several levels. Firstly, it was very broad-based and spread across a number of stocks, sectors, and market capitalisations. Secondly, and equally encouragingly, a substantial chunk of these moves has been based on stronger-than-expected fundamental developments and not a re-rating, so the portfolio has not been 'using up fuel in the tank'. Finally, it came despite the persistent headwind from the small/mid-cap mix, where the strategy has significant exposure and which, at the time of writing, is underperforming for the third consecutive year. The latent potential in this area of the market, documented here on many occasions, remains as exciting as it ever has been.

Funding Circle was the largest contributor over the period, with the market finally beginning to wake up to the staggering anomaly in its valuation. Results were strong, with substantial growth in Flexipay, successful confirmation of its being the first Fintech to secure a coveted SBA licence, decisive action at its loss-making US business, and a meaningful share buyback. The enterprise value remains derisory, and it continues to be the Fund's largest position. Elsewhere, we saw strong, high-quality results and a beat from AB Foods, better-than-expected numbers from Accesso and Severfield, encouraging trading updates from Rank Group, Volex and Aquis, as well as a host of other pleasing developments peppered throughout the portfolio. Detractors meanwhile were Alphawave, which surprisingly reined in projections despite a strong forward order book and the underweight in AstraZeneca, which squeezed higher on decent results.

The UK continues to attract an avalanche of inbound corporate activity, with confidence rising and premiums drifting up to reflect this. UK Growth has had six approaches for portfolio assets over the last 12 months or so, and with the prevailing mispricing, more can be reasonably expected, both in the market and the Fund. Two new ones were announced during April at FTSE 100 miner Anglo American and small-cap software company Gresham Technologies. There is no shortage of ideas to rotate this capital into should they consummate, but both are great long-term growth assets that would be very comfortable owing to fair prices for their strategic value not materialising.

Performance over 1 month	%
Fund - X EUR	9.81
Benchmark	3.14

Statistics

	Annualised since launch
Active share* (%)	76.91
Fund volatility (%)	19.64
Benchmark volatility (%)	20.26
Alpha	9.14
R squared	0.61
Correlation	0.78
Tracking error (%)	13.65
Information ratio	0.39
Sharpe ratio	1.16

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

	X EUR
Austria	✓
Belgium	✓
Denmark	✓
Finland	✓
France	✓
Germany	✓
Ireland	✓
Italy	✓
Jersey	✓
Luxembourg	✓
Netherlands	✓
Norway	✓
Singapore	✓
Spain	✓
Sweden	✓
Switzerland	✓
UK	✓

Regulatory documents

English language KIIDs can be found on our website at www.johcm.com

Foreign language versions are available on request by calling +44 (0) 20 7747 5646

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*
X EUR	IE00BLLV8825	BLLV882	JOUKGXG ID	A2P1YM	Up to 5%	0.60%	0.70%	£100,000,000

Ongoing Charge is as at 30 April 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 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.

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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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