JOHCM Global Emerging Markets Opportunities Fund

Fund overview

- The Fund aims to generate long-term capital growth through active management of a portfolio of equities listed on emerging stock markets
- For fund managers James Syme, Paul Wimborne and Ada Chan, identifying the most attractive emerging markets in which to invest is the most important influence on investment performance
- Complementing their top-down view is a stock selection process that focuses on identifying quality growth stocks within their favoured countries
- Benchmark: MSCI Emerging Markets 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

Performance highlights

Return since launch (%)

Return history

	1m	3m	1yr	3yr	5yr	10yr	SL	Annualised*
A GBP Class	3.95	4.84	5.06	-0.05	20.30	99.03	76.09	4.54
Benchmark	2.86	3.61	6.15	-6.50	16.41	77.37	57.78	3.64
Quartile**	1	2	2	1	2	1	1	-

Discrete 12 month performance to end of March

	03.24	03.23	03.22	03.21	03.20	03.19	03.18	03.17	03.16	03.15
A GBP Class	5.06	0.89	-5.71	44.15	-16.51	4.56	6.51	37.59	-10.68	20.90

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. 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 GBP, net income reinvested, net of fees. The A GBP Class was launched on 30 June 2011. 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 Emerging Markets by either the Investment Association (IA) or Lipper Global. Funds included may be domiciled in the UK, Ireland, or Luxembourg.

Share class: A GBP Class
ISIN: IE00B4002N46

Fund details

Fund size	GBP 202.27m
Strategy size	GBP 1.97bn
Launch date	30 June 2011
Benchmark	MSCI Emerging Markets NR (12pm adjusted)
No. of holdings	49
Domicile	Ireland
Fund structure	UCITS
Tax status	UK reporting status
Denominations	GBP, EUR, USD
Valuation point	12pm Dublin time

Total strategy assets updated quarterly and shown as at 31 December 2023.

Fund managers

James Syme
Senior Fund Manager
James has managed the Fund since launch. He joined JOHCM in 2011 and has 29 years of industry experience.

Paul Wimborne
Senior Fund Manager
Paul has managed the Fund since launch. He joined JOHCM in 2011 and has 25 years of industry experience.

Ada Chan
Fund Manager
Ada has managed the Fund since January 2022. Ada joined JOHCM in 2011 and has 24 years of experience.

Contact details

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Portfolio analysis (%)

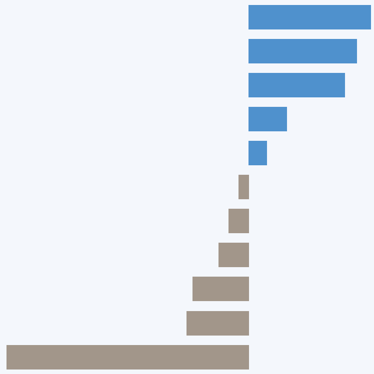
Data as at 31 March 2024

Top 10 holdings

	Absolute	Relative
Taiwan Semiconductor	8.8	0.5
Tencent	6.3	2.7
Larsen & Toubro	4.9	4.5
Samsung	3.9	-0.7
Itaú Unibanco	3.7	3.2
Cemex	3.5	3.5
Banorte	3.4	3.1
Bank Mandiri	3.3	3.1
Bank Rakyat Indonesia	3.0	2.7
Trip.com Group	3.0	2.7
Total	43.8	

Sector breakdown

	Absolute	Relative
Financials	27.1	4.7
Real Estate	5.7	4.2
Consumer Staples	9.4	3.7
Industrials	8.5	1.5
Materials	7.9	0.7
Utilities	2.4	-0.3
Energy	4.6	-0.7
Consumer Discretionary	11.3	-1.2
Communication Services	6.5	-2.1
Health Care	1.1	-2.4
Information Technology	14.4	-9.3
Cash	1.2	1.2



Active positions

Top 5	Relative
Larsen & Toubro	4.5
Cemex	3.5
Itaú Unibanco	3.2
Banorte	3.1
Bank Mandiri	3.1

Bottom 5	Relative
Alibaba Group	-2.0
Pinduoduo	-1.0
Infosys	-0.8
Hon Hai Precision Industry	-0.8
China Construction Bank	-0.8

Country breakdown

	Absolute	Relative
China	23.8	-1.3
India	15.3	-2.4
Taiwan	11.2	-6.4
Brazil	11.1	5.9
Mexico	10.4	7.7
Indonesia	8.5	6.7
South Korea	6.4	-6.4
United Arab Emirates	4.4	3.2
South Africa	2.8	0.1
Other	4.9	-8.1
Cash	1.2	1.2

Market cap breakdown

	Absolute	Relative
Large (>USD 10bn)	84.0	5.6
Mid (USD 1 - 10bn)	14.0	-7.6
Small (<USD 1bn)	0.8	0.8
Cash	1.2	1.2

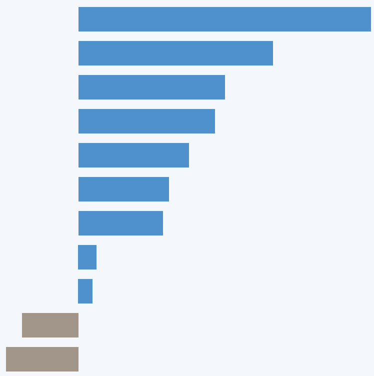
Attribution & contribution (%)

Stock attribution

Top contributors	Relative return
Cemex	0.47
China Oilfield Services	0.30
Meituan Dianping	0.27
Barrick	0.24
Larsen & Toubro	0.22
Top detractors	
Proya Cosmetics	-0.27
Hon Hai Precision Industry	-0.24
ENN Energy	-0.23
Trip.com Group	-0.16
Petrobras	-0.16

Sector attribution*

	Relative return
Materials	0.63
Financials	0.42
Industrials	0.32
Communication Services	0.29
Consumer Discretionary	0.24
Energy	0.20
Health Care	0.18
Real Estate	0.04
Information Technology	0.03
Consumer Staples	-0.12
Utilities	-0.15



*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: Argentina, Chile, Colombia, Czech Republic, Egypt, Greece, Hungary, Kuwait, Malaysia, Peru, Philippines, Poland, Qatar, Saudi Arabi, Thailand, Turkey and non-benchmark countries.

Fund manager's commentary

- Mexico and Brazil's central banks' strict monetary orthodoxy has led to disinflation, with rate cuts expected to boost their economies and equities
- The Brazilian Central Bank's cautious guidance reflects strong economic growth, with policy rates forecasted to reach 8.5% by end of next year
- Both countries are expected to have lower interest rates than consensus expectations, positively impacting economies, corporate earnings, and equity market returns

One of the reasons we have maintained our overweight positions in Mexico and Brazil has been our view that the strict monetary orthodoxy that their respective central banks displayed in 2021 and 2022 would create the potential for large interest rate cuts when disinflation was achieved. Their committed policy stances did achieve disinflation, but rate cuts have been slow to come (this hasn't prevented both MSCI Mexico and MSCI Brazil from comfortably outperforming the MSCI EM Index over the last three years). With Banxico finally cutting Mexican policy rates this month, this piece aims to review the current prospects for policies, economies and equities in the two big Latin American markets.

Although many developed and emerging market central banks have been cautious about lowering policy interest rates, Latin America has seen a broad rate-cutting cycle that expanded this month to include Mexico. Whilst some Latin American central banks that were quick to cut are now turning more cautious – notably in Chile and Peru – we believe that both Mexico and Brazil should be able to deliver hundreds of basis points of cuts in policy interest rates over the next 24 months.

Responding to rising inflation, Banxico hiked Mexico's official overnight rate to 11.25% in March 2023, when CPI inflation was 7.6%, and then held rates at that level while inflation declined to 4.4% in the year to February 2024. March 2024's Banxico meeting confirmed the beginning of the easing cycle with a broadly expected 25bps cut to 11%. Current consensus expectations are for Mexican policy rates to decline to 9.5% by the end of2024 and 7.5% by the end of 2025.

Mexican economic data has softened in recent months, but overall the Mexican economy continues to do well, supported by a strong US economy. PMIs are well above 50, Q4 2023 GDP growth of 2.5% was above expectations, and unemployment has declined to near record-low levels. That economic success is despite the very high level of real interest rates, and a rate-cutting cycle should prove supportive of both domestic demand growth and corporate earnings growth.

Meanwhile, in Brazil, the Brazilian Central Bank (BCB) policy committee unanimously voted for a sixth cut of 50bps, bringing rates to 10.75% (CPI inflation is at 4.5%). The statement shortened the horizon of guidance to only a 50bps cut in May; after this, policy decisions will be data-dependent. Consensus foresees policy rates at 9.0% at the end of this year and 8.5% at the end of next year.

The central bank's more cautious guidance reflects strong economic growth in the first part of this year. PMIs look very strong, retail sales and services output have surprised to the upside, and January's economic activity index rose by 0.60% MoM, following on from 0.82% in December. As in Mexico, drought may reduce agricultural output but not enough to drag down the broader economy.

So, in both countries, large rate cuts are meeting economies already growing well. Where we expect significant positive surprise is in the quantum of cuts. Our model for the interaction between emerging economics and financial markets emphasises reflexivity, where each feeds the other. We believe that the histories of booms and busts in individual emerging markets are driven by this process, where, generally, everything goes right at the same time, or everything goes wrong at the same time. In Latin America, that tends to mean interest rates overshoot expectations, up or down, through the cycle. We do not expect this cycle to be any different; we think interest rates in both Mexico and Brazil will be much lower than consensus expects in coming quarters, giving an even more positive boost to economies, corporate earnings and equity market returns.

Performance over 1 month	%
Fund - A GBP Class	3.95
Benchmark	2.86

Statistics

	Annualised since launch
Active share* (%)	73.79
Fund volatility (%)	16.25
Benchmark volatility (%)	16.48
Alpha	1.18
R squared	0.90
Correlation	0.95
Tracking error (%)	5.29
Information ratio	0.17
Sharpe ratio	0.21

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

Country registration

	A GBP	B GBP	A EUR	B EUR	A USD	B USD	Y GBP
Austria	✓	✓	✓	✓	✓	✓	✕
Denmark	✓	✓	✓	✓	✓	✓	✕
Finland	✓	✓	✓	✓	✓	✓	✕
France	✓	✓	✓	✓	✓	✓	✕
Germany	✓	✓	✓	✓	✓	✓	✕
Ireland	✓	✓	✓	✓	✓	✓	✓
Italy	✕	✕	✓	✓	✕	✕	✕
Jersey	✓	✓	✓	✓	✓	✓	✓
Luxembourg	✓	✓	✓	✓	✓	✓	✕
Malta	✕	✓	✕	✓	✕	✓	✕
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*
A GBP Class	IE00B4002N46	B4002N4	JHGEMSI ID	A1JT2Z	Up to 5%	0.90%	1.00%	£1,000
B GBP Class	IE00B41RZ573	B41RZ57	JHGEMSR ID	A1JT2W	Up to 5%	1.50%	1.60%	£1,000
Y GBP Class	IE00BYSGJY42	BYSGJY4	JHGYGBP ID	-	Up to 5%	0.75%	0.85%	£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. Please note that the A share class is not subject to a performance fee.
Ongoing Charge is as at 31 March 2024.
*Other currency equivalents apply.

Important information