

# JOHCM International Select Fund

## Fund strategy

The Fund invests, under normal market conditions, primarily in equity securities of companies headquartered outside the U.S., including those in emerging market countries. The Fund Managers utilize a core investment style with a modest growth tilt and may invest in companies across the market capitalization range in order to achieve the Fund's objective. The Fund Managers seek to make investments in non-US listed companies based on a multi-dimensional investment process that considers growth, valuation, price-trend, and beta.

## Institutional Share

### Fund details

Fund size	\$ 15.04bn
Strategy size	\$ 13.13bn
Benchmark	MSCI EAFE NR
No. of holdings	50
Fund objective	Seeks long-term capital appreciation

Total strategy assets updated quarterly and shown as at 30 September 2021.

### Share class details

#### Institutional

Inception date	July 29, 2009
Ticker	JOHIX
CUSIP	46653M849
Expense ratio	0.98% gross / 0.98% net <sup>1</sup>
<b>Advisor</b>	
Inception date	March 31, 2010
Ticker	JOHAX
CUSIP	46653M823
Expense ratio	1.21% gross / 1.21% net <sup>1</sup>

1. J O Hambro Capital Management Limited has contractually agreed to waive fees and reimburse expenses so that the Net Total Operating Expenses do not exceed the stated amounts until June 30, 2022.

### Fund managers



**Christopher Lees**  
Senior Fund Manager  
Chris has managed the Fund since launch. He joined JOHCM in 2008 and has 32 years of industry experience.



**Nudgem Richyal**  
Senior Fund Manager  
Nudgem has managed the Fund since launch. He joined JOHCM in 2008 and has 22 years of industry experience.

### Morningstar Rating™

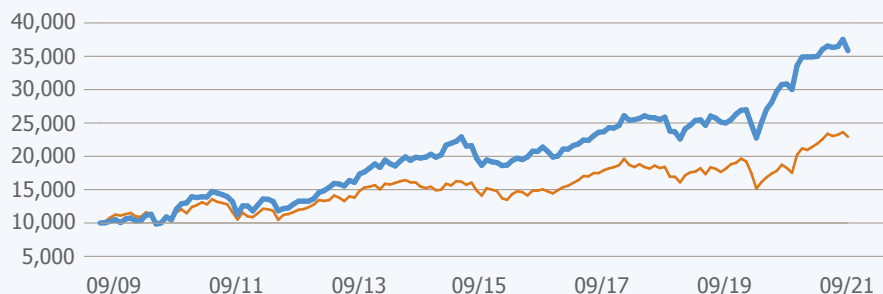
Overall Morningstar Rating™ ★★★★★

Morningstar Ratings™ are for Class I shares only; other classes may have different performance characteristics.

Effective July 15, 2015 the JOHCM International Select Fund has been publicly offered on a limited basis only. Please refer to the prospectus for additional details.

### Performance highlights

Growth of a \$10,000 investment (07/29/09 - 09/30/21)



#### Total return (%)

Periods ended September 30, 2021

	3m	YTD
Institutional Share	-1.33	2.71
Advisor Share	-1.40	2.54
Benchmark	-0.45	8.35

#### Average annual total return (%)

Periods ended September 30, 2021

	1 yr	3 yrs	5 yrs	10 yrs	SI
Institutional Share	16.24	11.49	10.88	12.27	11.06
Advisor Share	15.94	11.20	10.60	11.99	10.45
Benchmark	25.73	7.62	8.81	8.10	7.06

The performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's current performance may be lower or higher than the performance data quoted. Investors may obtain performance information current to the most recent month-end, within 7 business days at [www.johcm.com](http://www.johcm.com) or by calling 1-866-260-9549 or 1-312-557-5913.

Returns for periods of 1 year and less are not annualized. Returns shown, unless otherwise indicated, are total returns, net of fees, with dividends and income reinvested. Fee waivers are in effect; if they had not been in effect performance would have been lower. Historical performance of the International Select Fund for Class II Shares prior to their inception is based on the performance of Class I Shares. The performance of Class II Shares has been adjusted to reflect differences in expenses.

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. Any indices mentioned are unmanaged statistical composites of stock market performance. Investing in an index is not possible.

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.

### Morningstar ranking (Institutional Share - Foreign Large Growth category)

1 year		3 years		5 years		10 years	
Rank	Percentile	Rank	Percentile	Rank	Percentile	Rank	Percentile
327	439	262	383	219	322	26	221
	79%		66%		67%		14%

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## Fund manager's commentary

- We underperformed a falling index in US dollar terms over the third quarter.
- This was entirely down to the fall in equities over the last two weeks of the quarter as market trends reversed.
- We are buyers of September's dip, moving to 75% bullish and 25% bearish.

We underperformed a falling index in US dollar terms over the third quarter. This was entirely down to the fall in equities over the last two weeks of the quarter as market trends reversed. Up until then we had been outperforming the index, but we ended the quarter behind the benchmark due to negative stock selection.

The bottom five stocks by relative performance (Peptidream, Fortescue, BionTech, Siemens Gamesa and SK Hynix) more than offset our top five performers (Z Holdings, Icon, Recruit, STMicro, and Orix).

Many investors seem dogmatically stuck on the 'Value' versus 'Growth' debate when the truth is pragmatically somewhere in the middle, depending on the business cycle. This is why we combine Growth, Value and Momentum factors over the cycle. Value usually performs best during the first year of an economic recovery, when earnings growth rates are accelerating. Growth usually performs better after that, as earnings growth rates start to decelerate; which is what started to happen this quarter, until the reversal in the last two weeks of the quarter.

Year to date, Value and Growth performance has been roughly equal, while the Momentum factor significantly underperformed as it was whipsawed by several rotations between Value and Growth.

Slower global economic and earnings growth lies ahead and markets are beginning to worry about stagflation (slowing growth with rising inflation). A moderation in growth will probably allow supply chains to catch up and inflation to fall, which is already happening in some commodity markets. China was the first major economy into and then out of COVID and then the

first to slow down again - it will probably be followed by the US and Europe, which should ease inflationary concerns.

Cyclicals are called cyclical for a reason, as most of their relative outperformance usually occurs within 6-18 months of the recovery from a recession when they have the best relative earnings growth. Stable growth then usually outperforms during the mid to late cycle as by this point they have the best relative earnings growth. We do not see any reason for this historical pattern to change – albeit there may be significant volatility.

We are buyers of September's dip, moving to 75% bullish and 25% bearish. The highest probability outcome is still "one of the biggest ever equity bull markets, followed by one of the biggest ever equity bear markets" but some early warning signs are flashing, so we will keep an open mind in a fast changing world. Our scenario analysis and portfolios are adjusting to:

- Scenario 1: 40% (was 35%) -Equity markets rally with the old leadership, i.e. stable growth & high quality stocks as growth slows.
- Scenario 2: still 35% -Equity markets rally with new leadership, i.e. cyclicals & financials if growth is better than expected
- Scenario 3: 25% (was 30%) -Equity markets fall if growth slows faster than we expect or if fiscal/monetary policy is tightened to fast.

If policy makers recognise and react to slowing growth, we probably move to 80% bullish, 20% bearish (45/35/20), if not we might get more bearish.

Sources for all data: JOHCM/Bloomberg (unless otherwise stated).

Performance over 3 months	%
Institutional Share	-1.33
MSCI EAFE NR	-0.45

## Attribution (%) July 1, 2021 through September 30, 2021

### Holding attribution

Top 5 attributors	Relative return
Yahoo Japan	0.58
ICON	0.52
Recruit	0.38
STMicroelectronics	0.37
ORIX	0.26
Bottom 5 attributors	Relative return
PeptiDream	-0.59
Fortescue Metals	-0.57
Gamesa	-0.48
SK hynix	-0.45
BioNTech SE	-0.45

### Country attribution

	Relative return
France	0.57
Ireland	0.52
Switzerland	0.41
Hong Kong	0.39
Denmark	0.22
Sweden	0.06
Belgium	0.05
Finland	0.03
New Zealand	-0.01
Portugal	-0.01

### Sector attribution

	Relative return
Communication Services	0.60
Financials	0.50
Consumer Staples	0.45
Health Care	0.09
Real Estate	0.08
Utilities	0.04
Materials	-0.05
Industrials	-0.09
Energy	-0.30
Information Technology	-0.54
Consumer Discretionary	-1.00

## Risk considerations

The Fund invests in International and Emerging Markets. International investments involve special risks, including currency fluctuation, lower liquidity, different accounting methods and economic and political systems, and higher transaction costs. These risks typically are greater in Emerging Markets. Such risks include new and rapidly changing political and economic structures, which may cause instability; underdeveloped securities markets; and higher likelihood of high levels of inflation, deflation or currency devaluations.

Emerging Markets involve heightened risks related to the same factors, in addition to those associated with their relatively small size and lesser liquidity.

The small and mid cap companies the Fund may invest in may be more vulnerable to adverse business or economic events than larger companies and may be more volatile; the price movements of the Fund's shares may reflect that volatility.

Fund holdings are subject to change at any time and are not recommendations to buy or sell any security. A list of all holdings during the period, corresponding performance contributions and attributions, and the calculation methodology is available upon request.



## Portfolio analysis (%) As of September 30, 2021

### Top 10 holdings

	Fund	Benchmark
Z Holdings	2.7	0.1
ICON	2.5	-
Recruit Holdings	2.4	0.5
STMicroelectronics	2.3	0.2
Vestas	2.2	0.2
Ahold Delhaize	2.2	0.2
Orix	2.2	0.1
Sony	2.2	0.8
Advantest	2.2	0.1
FinecoBank	2.2	0.1
Cash	4.3	-

### Sector allocation

	Fund	Benchmark	Relative to benchmark
Information Technology	21.8	9.6	12.2
Consumer Discretionary	15.8	12.7	3.1
Materials	7.3	7.3	0.0
Communication Services	4.7	4.8	-0.1
Industrials	14.7	15.8	-1.1
Utilities	1.9	3.3	-1.4
Health Care	10.9	12.6	-1.7
Financials	14.6	17.3	-2.7
Real Estate	-	2.8	-2.8
Energy	-	3.5	-3.5
Consumer Staples	4.0	10.2	-6.2

### Active weights

#### Top 5 positions relative to benchmark

Z Holdings	2.6
ICON	2.5
IHS Markit	2.2
Aptiv	2.1
Linde	2.1

#### Bottom 5 positions relative to benchmark

Nestlé	-2.1
Roche	-1.5
LVMH	-1.2
Toyota Motor	-1.1
AstraZeneca	-1.1

The active weight is the difference between the managed portfolio weight and the benchmark weight as of September 30, 2021.

All tables (except Top 10 holdings) exclude cash weighting of 4.3%.

Fund holdings, sector allocation, regional allocation and top 10 countries are subject to change without notification.

### Regional allocation

	Fund	Benchmark	Relative to benchmark
United States	6.3	-	6.3
Emerging Markets	3.4	-	3.4
Canada	1.6	-	1.6
Japan	22.6	24.2	-1.6
Europe ex UK	47.8	50.1	-2.3
UK	10.6	14.4	-3.8
Pacific ex Japan	3.5	11.3	-7.8

### Top 10 countries

	Fund	Benchmark
Japan	22.6	24.2
Germany	13.3	9.1
United Kingdom	10.6	14.4
Netherlands	10.1	4.8
United States	6.3	-
France	6.2	11.2
Denmark	6.1	2.6
Italy	6.0	2.5
Ireland	2.5	0.7
Switzerland	2.1	9.5

## Modern portfolio statistics

Statistics	5Y	10Y
Correlation to benchmark	0.89	0.87
Sharpe ratio	0.73	0.85
Alpha	3.59	5.42
Standard deviation	13.18	13.49
Tracking error (%)	6.65	7.17
Upside capture ratio	88	94
Downside capture ratio	69	67

**Correlation to benchmark** is a measure of the strength of the relationship between a fund and its index.

**Sharpe ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk.

**Alpha** is a measurement of a fund's risk-adjusted performance against its index.

**Standard deviation** is a statistical measure of distribution around an average, which depicts how widely returns varied over a certain period of time. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

**Tracking error** is a measure of how closely a Fund's performance follows its index.

**Upside and downside capture** measures a manager's ability to generate excess return above the benchmark return in up markets and retain more of the excess return in down markets. The upside/downside capture ratio is the Fund's up/down market return divided by the index's up/down market return and equals the linked returns for all quarters in which the index return was greater/less than zero.

## Buying and selling fund shares

You can buy or sell shares of the Fund on any business day that the Fund is open through your broker or financial intermediary, or by mail or telephone. You can pay for shares by wire.

JOHCM Funds  
c/o The Northern Trust Company  
P.O. Box 4766  
Chicago, IL 60680-4766

Telephone  
**1-866-260-9549** (toll free) or 1-312-557-5913

The minimum investment for Class I Shares is \$0, and Class II Shares is \$0. There is no minimum for additional investments. May be subject to platform minimums if purchased through a brokerage account.

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## Payments to broker-dealers and other financial intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## Dividends, capital gains and taxes

The Fund intends to make distributions that are generally taxable as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged investment plan. However, you may be subjected to tax when you withdraw monies from a tax-advantaged plan.

## Prospectus offer

**An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending any money. This and other important information about the Funds can be found in the prospectus or summary prospectus which can be obtained at [www.johcm.com](http://www.johcm.com) or by calling**

**1-866-260-9549 or 1-312-557-5913. Please read the prospectus or summary prospectus carefully before investing. The JOHCM Funds are advised by JOHCM (USA) Inc. and distributed through JOHCM Funds Distributors, LLC, member FINRA. The JOHCM Funds are not FDIC-insured, may lose value, and have no bank guarantee.**

## Morningstar Ratings™

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## Contact details

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