

J O Hambro Capital Management  
UK Umbrella Fund

2020

Interim Report (Unaudited)  
for the six months ended 30 June 2020

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# Authorised Corporate Director's report

for the six-month period ended 30 June 2020

## General information

The J O Hambro Capital Management UK Umbrella Fund ('the Company') is an open-ended investment company ('OEIC') with variable capital. The Company is registered and authorised in the United Kingdom by the Financial Conduct Authority ('the FCA'). The Company has been established as a UCITS scheme in the form of an umbrella company, currently with four separate sub-funds (the "Sub-Funds").

Each Sub-Fund has an individual investment objective and policy. This interim report reviews and reports on the financial results of each of the Company's Sub-Funds for the six months ended 30 June 2020.

Subject to approval by the FCA and the Depositary, the Company may seek to add new Sub-Funds in the future.

The Sub-Funds are segregated portfolios of assets and, accordingly, the assets of a Sub-Fund belong exclusively to that Sub-Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other Sub-Fund, and shall not be available for any such purpose.

Whilst the provisions of the OEIC Regulations provide for segregated liability between the Sub-Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not known how those foreign courts will react to regulations 11A and 11B of the OEIC Regulations.

Shareholders are not liable for the debts of the Company.

The latest prospectus is dated 6 January 2020 and can be accessed at [www.johcm.com](http://www.johcm.com).

As at 30 June 2020 there were no cross-investments where one Sub-Fund invested into another Sub-Fund of the Company.

Further information on the Company can be found on page 69.

## COVID-19

The COVID-19 virus is believed to have originated in Wuhan, Hubei, China. While containment efforts were made to slow the spread of the virus, it spread globally and led the World Health Organization to declare the COVID-19 outbreak a pandemic on 11 March 2020.

The Board is aware that global financial markets have been monitoring and reacting to the outbreak. Financial markets have incurred increased volatility and uncertainty since the onset of the pandemic.

The Board has also noted the operational risks that are posed to the Company and its service providers due to global and local movement restrictions that have been enacted by various governments.

The COVID-19 pandemic is an unprecedented event and its trajectory remains unknown. Enforced lockdowns around the world have caused severe short-term disruption to the global economy. While economic activity has begun to pick up again as societies have tentatively re-opened, the longer-term outlook for the global economy is unclear.

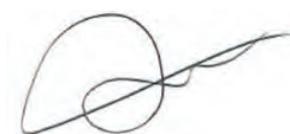
The immediate effect of the COVID-19 outbreak on financial markets included a very sharp fall in stock markets in Q1 2020. This was a short-lived sell-off, however, as an aggressive policy response by central banks and governments prompted a swift rebound in many markets, with the US stock market in particular recovering quickly.

The future impact of COVID-19 on the direction of financial markets will largely depend on the scale and duration of the outbreak. The Board will continue to monitor this situation.

## Statement of Authorised Corporate Director

We hereby certify that this report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority and approve it for publication on behalf of JOHCM Funds (UK) Limited, Authorised Corporate Director ('ACD').

On behalf of the ACD



**Alexandra Altinger** (Chair)  
Executive Director  
4 August 2020

# Accounting Policies

## **a) Basis of preparation**

These interim financial statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS102) and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014 (2014 SORP).

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2019 and are described in those Financial Statements. In this regard, comparative figures from previous periods are prepared to the same standards as the current period, unless otherwise stated.

## **b) Recognition of revenue**

Dividends on quoted ordinary shares and non-equity shares are recognised when the securities are first quoted ex-dividend. Revenue from unquoted equity investments is recognised when the entitlement to the dividend is established. Interest on bank deposits is recognised on an accruals basis. The underlying circumstances behind both special dividends and share buy backs are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Revenue from stocklending is accounted for net of bank and agent fees and is recognised on an accruals basis. Stocklending income is split 20% to the stocklending agent and 80% to the Sub-Funds.



# JOHCM UK Dynamic Fund

A Sub-Fund of J O Hambro Capital Management UK Umbrella Fund

## INVESTMENT OBJECTIVE & POLICY

The Sub-Fund's investment objective is to achieve capital growth over a rolling seven to ten year period as well as providing income. The Sub-Fund's target is to have a return greater than the FTSE All-Share Total Return index (12pm adjusted), which is used in the calculation of performance fees.

At least 90% of the Sub-Fund is invested in the shares of companies listed on either of the two primary markets of the London Stock Exchange: the Main Market (FTSE) and the Alternative Investment Market (AIM). At all times at least 75% of the Sub-Fund is invested in the shares of companies that are domiciled, incorporated or have a significant portion of their business in the UK.

The Sub-Fund will typically invest in the shares of 35-50 different companies. The Sub-Fund invests in companies undergoing major transformation in their businesses. The fund manager believes these changes will lead to an improvement in the performance of these companies and their share prices.

At least 50% of the Sub-Fund will be invested in companies listed on the FTSE 100 index, which contains the 100 largest companies listed on the London Stock Exchange. These are the most liquid on the exchange, meaning they can be

easily bought and sold without materially affecting their share price. The Sub-Fund also invests in smaller companies. These may be less liquid and are therefore widely regarded as being riskier.

Other than investing in shares listed in the UK, the Sub-Fund may also invest in shares listed elsewhere, money market instruments, deposits, warrants and units in other collective investment schemes.

The Sub-Fund's performance may be measured against the FTSE All-Share Total Return Index (12pm adjusted, the "Index"). The Index is used as a target benchmark for the Sub-Fund as the Performance Fee for the Sub-Fund is payable when the performance of the Sub-Fund exceeds that of the Index. The use of the Index does not limit the investment decisions of the fund manager therefore the shareholdings of the Sub-Fund may differ significantly from those of the Index, however it may influence the weightings of investments in components of the Index. The Index is used as it is the broadest available index of shares listed on the London Stock Exchange, representing at least 98% of the market value of the shares listed.



**Alex Savvides**  
Senior Fund Manager  
Alex joined JOHCM in March 2003 and has 23 years industry experience



## INVESTMENT MANAGEMENT REPORT

for the period ended 30 June 2020

### Performance

The JOHCM UK Dynamic Fund decreased by 29.19% in sterling terms, net of fees for the 'A' share class, for the six-month period ended 30 June 2020. Over the same period, the FTSE All-Share Total Return Index (12pm adjusted) decreased by 17.20%.\*

### Investment background

The Covid-19 global pandemic and resultant lockdowns of economies around the world prompted a rapid and brutal stock market sell-off in February and March that proved to be the quickest bear market (a 20% market fall from its peak) in history. As societies effectively closed down for weeks on end in a bid to halt the contagion, economies suffered unprecedented economic declines. The UK economy shrank by 5.8% in March, the month when lockdown commenced in the UK, and a remarkable 20% in April.

Amid concerns over rapidly escalating job losses and permanent scarring of the corporate sector, particularly those areas of the economy most hurt by the lockdowns such as travel and hospitality, governments responded with a historically unmatched level of fiscal stimulus and packages including, in the UK, a massive furlough scheme to preserve jobs. Central banks dovetailed with governments' rescue efforts by providing a torrent of liquidity. The Bank of England cut the base rate to 0.1%, undertook £200bn of quantitative easing and quickly launched a series of lending schemes to assist businesses. Signs of a quick economic bounce back towards the

end of second quarter provided support to proponents of a V-shaped recovery.

The global policy largesse caused stock markets to rebound quickly, although the UK market's recovery was more subdued than other major markets. Here the resurgent US equity market was in the vanguard, powered by technology stocks, many of which were deemed 'stay at home' winners and whose business models were largely unaffected by lockdown. From a style perspective, growth and momentum stocks continued to outperform value and cyclical names, compounding a valuation gap that has grown inexorably in recent years and proved a major headwind to value-biased investment approaches.

### Fund review

The first half of 2020 represented the toughest period in the Sub-Fund's 12-year history. The collapse in valuations of stocks with perceived balance sheet risk, the continued outperformance of earnings momentum stocks and the lack of regard for asset valuations and valuation fundamentals in general created a massive headwind for the portfolio given our value-biased approach. Whilst the performance trend did improve through Q2 (-176bps in April, -57bps in May and -46bps in June), the Sub-Fund still ended June a long way behind the index over the year to date.

An extremely aggressive market mix effect weighed heavily upon the portfolio. Domestic stocks with cyclical exposure, which characterises a number of our names, sold off sharply.

In contrast, perceived relative winners from the Covid-19 shutdown, those defensive growth companies with business models largely untroubled by the prolonged lockdown, became a crowded trade and rallied hard. From an attribution analysis perspective, our stock selection appeared very disappointing, but we would argue it was this potent market mix effect that really explains the Sub-Fund's poor performance.

That said, there were some stock-specific issues. Shopping centre owner and retail property developer Hammerson was badly affected by the enforced retail shutdown and low rental collections, the pandemic serving to magnify the structural pressures already facing the company. Lloyds Banking Group, with its high level of exposure to the domestic economy, also sold off heavily. And our tangible exposure to the exhibitions and events sector was a drag upon returns given the devastating short-term impact lockdown had on conference and event producers and associated suppliers. Portfolio holding Hyve Group has 100% exposure to the events industry while DMGT and Euromoney also have material exposure. Aggreko, a world-leader in temporary power supply provision, also suffered as major outdoor events including the Tokyo Olympics were either cancelled or postponed.

Predictably the most levered stocks, such as Melrose, and especially those exposed to travel and leisure, such as The Restaurant Group, were among the stocks the most severely punished

\* Source: JOHCM/FTSE International Limited. Basis: Sub-Fund return, mid to mid with net income reinvested, in Sterling.



## Investment Management Report continued

by the market. The Sub-Fund allocated capital to support a placing of shares at the latter. The £57m raised should provide The Restaurant Group with sufficient liquidity to survive the crisis, a crisis that will undoubtedly lead to substantial capacity withdrawal across the UK restaurant sector. This support was part of a broader theme of the Sub-Fund tactically allocating capital to those portfolio companies that needed additional liquidity to survive this unprecedented crisis.

Other laggards included advertising and media stocks WPP and ITV, while not owning AstraZeneca was a major relative headwind as its share price rose sharply, with the pharma section in demand for its defensive growth qualities. The Sub-Fund's broader underweight here was also unhelpful.

Bright spots over the six-month period included encouraging interim results from Stock Spirits, resilience from Morrison WM Supermarkets, with food retail a beneficiary of the Covid-19 crisis, and progress at Electrocomponents. Elsewhere, while admittedly not reflected in their share price performances having been sideswiped by Covid-19 effects, there was real underlying progress in portfolio names such as DMGT, The Restaurant Group, John Wood Group (deleveraging faster than expected) and Aggreko. McCarthy & Stone made tremendous strides with what is effectively a new asset class in the UK. It has shifted from the sale of apartments to a rental model, in doing so creating high-yielding retirement housing assets

akin to the securitisation of student accommodation.

The composition of the portfolio has not changed dramatically since the start of the year and is still somewhat sensitive to the economic impact of Covid-19, which is yet to unwind. We believe that this is delayed, not lost, outperformance, not because we are calling the end of coronavirus but because of our confidence in the inherent cash-generating qualities of the assets that sit behind this underperformance.

It must be re-emphasised that the outcomes from this portfolio of business transformation investments will be heavily driven by the idiosyncratic effects of longer-term capital allocation and business management decisions rather than the shorter-term earnings effects of Covid-19.

Indeed with the concentration of capital within the portfolio over the last few months, which has seen the effective number of stocks within the portfolio reduce to 31, shorter-term performance against the index may be more volatile. Sub-Fund performance may indeed not be defined by the short-term performance of certain external factors, e.g. value or growth, but instead by true underlying business improvements becoming visible to the market. These have their own timeline.

In the meantime, we are engaged at a deeper level than ever with the Sub-Fund's investments, particularly where there are issues that need to

be addressed. This engagement is to serve various purposes including furthering our own understanding, helping support tough courses of management action, encouraging more dynamic leadership and, in some cases, starting the process of post-Covid-19 board evolution.

We continue to believe that the current portfolio will recover as the year progresses.

### **Alex Savvides** Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## Net asset value and distribution history

### PRICE AND INCOME HISTORY

Calendar year		Highest price	Lowest price	Net distribution per share
		pence	pence	pence
2016	GBP Class A Distributing	188.50	136.60	6.812006
	GBP Class A Accumulating	224.09	162.20	8.092414
	GBP Class B Distributing	175.60	127.40	6.348625
	GBP Class B Accumulating	254.42	184.70	9.196911
	GBP Class Y Distributing	117.80	85.20	4.253299
	GBP Class Y Accumulating	128.51	93.00	4.640980
2017	GBP Class A Distributing	210.30	183.00	7.510493
	GBP Class A Accumulating	259.49	225.50	9.221581
	GBP Class B Distributing	194.80	170.50	6.998004
	GBP Class B Accumulating	293.21	256.00	10.582913
	GBP Class Y Distributing	127.21	114.30	4.699496
	GBP Class Y Accumulating	149.24	129.40	5.289822
2018	GBP Class A Distributing	216.20	173.90	8.059716
	GBP Class A Accumulating	276.20	229.20	10.298015
	GBP Class B Distributing	199.80	159.68	7.445908
	GBP Class B Accumulating	311.30	257.50	11.602464
	GBP Class Y Distributing	135.20	108.61	5.041510
	GBP Class Y Accumulating	158.80	131.80	5.919895
2019	GBP Class A Distributing	212.30	173.60	8.337592
	GBP Class A Accumulating	283.70	232.00	11.143812
	GBP Class B Distributing	194.50	159.80	7.664497
	GBP Class B Accumulating	317.20	260.70	12.491419
	GBP Class Y Distributing	132.90	108.60	5.218446
	GBP Class Y Accumulating	163.40	133.40	6.413130
	GBP Class X Distributing	110.30	94.80	4.311100
	GBP Class X Accumulating	110.30	94.80	4.321400
2020 (to June)	GBP Class A Distributing	203.60	115.70	-
	GBP Class A Accumulating	283.30	161.10	-
	GBP Class B Distributing	186.50	104.26	-
	GBP Class B Accumulating	316.80	179.90	-
	GBP Class Y Distributing	127.50	72.50	-
	GBP Class Y Accumulating	163.10	92.80	-
	GBP Class X Distributing	105.80	60.10	-
	GBP Class X Accumulating	110.10	62.60	-

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## Net asset value and distribution history continued

### NET ASSET VALUES

		Net asset value of Fund	Total shares in issue	Net asset value per share	Percentage change
		£			%
GBP Class A Distributing	31 December 2018	18,627,153	10,707,801	173.96p	(14.53)
	31 December 2019	8,625,476	4,246,920	203.10p	16.75
	30 June 2020	4,734,542	3,378,969	140.12p	(31.01)
GBP Class A Accumulating	31 December 2018	35,664,183	15,356,211	232.25p	(10.50)
	31 December 2019	39,002,154	13,929,517	280.00p	20.56
	30 June 2020	27,293,239	13,758,109	198.38p	(29.15)
GBP Class B Distributing	31 December 2018	34,528,381	21,622,972	159.68p	(15.12)
	31 December 2019	562,531	290,761	193.47p	21.16
	30 June 2020	278,502	267,122	104.26p	(46.11)
GBP Class B Accumulating	31 December 2018	276,567,790	106,087,492	260.70p	(11.09)
	31 December 2019	47,815,141	15,234,055	313.87p	20.40
	30 June 2020	35,787,564	16,225,288	220.57p	(29.73)
GBP Class Y Distributing	31 December 2018	182,296,224	167,847,279	108.61p	(14.62)
	31 December 2019	276,202,756	219,113,266	126.05p	16.06
	30 June 2020	185,204,124	208,105,112	89.00p	(29.39)
GBP Class Y Accumulating	31 December 2018	588,118,283	440,750,344	133.44p	(10.59)
	31 December 2019	1,160,314,088	719,355,925	161.30p	20.88
	30 June 2020	772,148,018	678,078,653	113.87p	(29.40)
GBP Class X Distributing*	31 December 2019	337,518,643	322,820,658	104.55p	-
	30 June 2020	351,470,082	475,982,957	73.84p	(29.37)
GBP Class X Accumulating*	31 December 2019	5,062,780	4,630,918	109.33p	-
	30 June 2020	15,596,137	20,393,148	76.48p	(30.05)

\* Launched 8 May 2019.

### DISTRIBUTIONS

JOHCM UK Dynamic Fund pays an annual distribution with ex date 31 December and pay date 28 February.



## ONGOING CHARGE FIGURE

	Class A Distributing Shares		Class A Accumulating Shares		Class B Distributing Shares		Class B Accumulating Shares	
	30 Jun 2020	31 Dec 2019						
Ongoing charge figure	0.79%	0.79%	0.79%	0.79%	1.29%	1.29%	1.29%	1.29%
Performance fee	-	-	-	-	-	-	-	-
Total expense ratio	0.79%	0.79%	0.79%	0.79%	1.29%	1.29%	1.29%	1.29%

	Class Y Distributing Shares		Class Y Accumulating Shares		Class X Distributing Shares*		Class X Accumulating Shares*	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
Ongoing charge figure	0.67%	0.67%	0.67%	0.67%	0.57%	0.57%	0.57%	0.57%
Performance fee	-	0.16%	-	0.25%	-	-	-	-
Total expense ratio	0.67%	0.83%	0.67%	0.92%	0.57%	0.57%	0.57%	0.57%

\* Launched 8 May 2019.



## PERFORMANCE RECORD

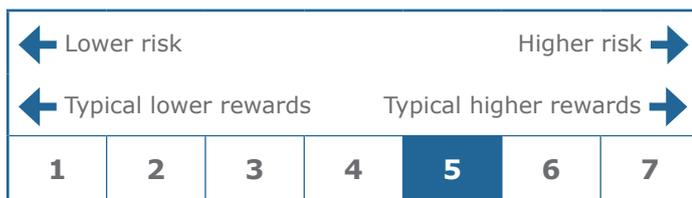
In the period from 1 January 2020 to 30 June 2020, the price of the Class A shares in the Sub-Fund decreased by 29.19%. This compares with a drop of 17.20% in the FTSE All-Share Total Return Index (adjusted for 12 noon) over the same period.

Source: JOHCM/FTSE International Limited. Basis: Sub-Fund return, mid to mid with net income reinvested, in Sterling.

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.

## RISK AND REWARD PROFILE

### Applicable to all share classes in the Sub-Fund



The risk and reward indicator is calculated on the basis of the share class volatility (the ups and downs in its value) over the prior five year period.

The risk and reward indicator:

- is based on historical data and may not be a reliable indication for the future;
- is not guaranteed and may change over time.
- The lowest category does not mean that a share class is risk free.

The share class category reflects the following factors:

- Higher volatility can result from investments in shares as their value may fluctuate more than other financial instruments, such as bonds.
- Your initial investment is not guaranteed.

In addition to the risk captured by the indicator, the fund value may be affected by:

- Any change in the Company's tax status or in legislation could affect the value of investments held by the Company.
- Political and /or regulatory Risks.
- Liquidity risk: The risk that some securities held by the Sub-Fund may be difficult or impossible to sell at the desired time and price. The Sub-Fund's investments include shares in small-cap companies. Small-cap companies tend to be traded less frequently and in lower volumes than larger companies making them potentially less liquid and more volatile.
- Investors should note that a more detailed description of risk factors is set out in full in the Prospectus.



## PORTFOLIO STATEMENT (UNAUDITED)

as at 30 June 2020

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
	<b>Oil &amp; Gas : 9.21%</b>		
	(31 December 2019 : 11.49%)		
	<b>Oil &amp; Gas Producers : 7.59%</b>		
	(31 December 2019 : 8.95%)		
19,665,922	BP	60,404	4.34
3,701,640	Royal Dutch Shell 'B'	45,308	3.25
		105,712	7.59
	<b>Oil Equipment, Services &amp; Distribution : 1.62%</b>		
	(31 December 2019 : 2.54%)		
5,458,850	Hunting	11,606	0.83
5,709,868	John Wood Group	11,057	0.79
		22,663	1.62
	<b>Total Oil &amp; Gas</b>	<b>128,375</b>	<b>9.21</b>
	<b>Basic Materials : 7.60%</b>		
	(31 December 2019 : 7.73%)		
	<b>Chemicals : 1.00%</b>		
	(31 December 2019 : 1.28%)		
21,771,184	Elementis	13,890	1.00
		13,890	1.00
	<b>Mining : 6.60%</b>		
	(31 December 2019 : 6.45%)		
3,820,698	Anglo American	71,423	5.13
451,412	Rio Tinto	20,532	1.47
		91,955	6.60
	<b>Total Basic Materials</b>	<b>105,845</b>	<b>7.60</b>
	<b>Industrials : 13.62%</b>		
	(31 December 2019 : 15.98%)		
	<b>Aerospace &amp; Defense : 2.79%</b>		
	(31 December 2019 : 4.01%)		
12,024,388	QinetiQ	35,761	2.57
149,919	Ultra Electronics Holdings	2,995	0.22
		38,756	2.79
	<b>Construction &amp; Materials : 2.02%</b>		
	(31 December 2019 : 2.28%)		
24,694,416	Melrose Industries	28,152	2.02
		28,152	2.02



## Portfolio statement (unaudited) continued

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
<b>Electronic &amp; Electrical Equipment : 0.93%</b>			
(31 December 2019 : 1.11%)			
7,944,312	TT Electronics	12,910	0.93
		12,910	0.93
<b>Support Services : 7.88%</b>			
(31 December 2019 : 8.58%)			
3,884,079	Aggreko	17,199	1.24
7,917,159	Electrocomponents	53,085	3.81
4,853,073	Essentra	14,122	1.01
1,334,360	Ricardo	5,297	0.38
1,783,288	Travis Perkins	20,071	1.44
		109,774	7.88
<b>Total Industrials</b>		<b>189,592</b>	<b>13.62</b>
<b>Consumer Goods : 4.05%</b>			
(31 December 2019 : 3.82%)			
<b>Beverages : 1.81%</b>			
(31 December 2019 : 1.35%)			
10,797,265	Stock Spirits Group	25,158	1.81
		25,158	1.81
<b>Personal Goods : 0.21%</b>			
(31 December 2019 : 0.00%)			
1,552,267	PZ Cussons	2,869	0.21
		2,869	0.21
<b>Household Goods &amp; Home Construction : 2.03%</b>			
(31 December 2019 : 2.47%)			
8,068,380	Crest Nicholson Holdings	15,951	1.14
17,566,296	McCarthy & Stone	12,367	0.89
		28,318	2.03
<b>Total Consumer Goods</b>		<b>56,345</b>	<b>4.05</b>
<b>Health Care : 8.54%</b>			
(31 December 2019 : 6.21%)			
<b>Health Care Equipment &amp; Services : 2.35%</b>			
(31 December 2019 : 1.18%)			
16,735,516	ConvaTec Group	32,735	2.35
		32,735	2.35



## Portfolio statement (unaudited) continued

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
<b>Pharmaceuticals &amp; Biotechnology : 6.19%</b>			
(31 December 2019 : 5.03%)			
5,266,825	GlaxoSmithKline	86,175	6.19
		86,175	6.19
<b>Total Health Care</b>		<b>118,910</b>	<b>8.54</b>
<b>Consumer Services : 23.69%</b>			
(31 December 2019 : 21.96%)			
<b>Food &amp; Drug Retailers : 8.17%</b>			
(31 December 2019 : 6.43%)			
23,733,598	Tesco	54,136	3.89
31,266,177	WM Morrison Supermarkets	59,546	4.28
		113,682	8.17
<b>Travel &amp; Leisure : 1.53%</b>			
(31 December 2019 : 3.41%)			
37,703,137	Restaurant Group	21,246	1.53
		21,246	1.53
<b>Media : 13.99%</b>			
(31 December 2019 : 12.12%)			
7,302,564	Daily Mail & General Trust	50,315	3.61
2,215,208	Euromoney Institutional Investor	17,389	1.25
9,642,456	Hyve Group	9,546	0.68
39,997,222	ITV	29,862	2.14
7,788,618	Moneysupermarket.com Group	25,204	1.81
3,491,413	Pearson	20,104	1.44
6,758,813	WPP	42,608	3.06
		195,028	13.99
<b>Total Consumer Services</b>		<b>329,956</b>	<b>23.69</b>
<b>Telecommunications : 4.57%</b>			
(31 December 2019 : 3.40%)			
<b>Mobile Telecommunications : 4.57%</b>			
(31 December 2019 : 3.40%)			
49,442,693	Vodafone Group	63,712	4.57
		63,712	4.57
<b>Total Telecommunications</b>		<b>63,712</b>	<b>4.57</b>



## Portfolio statement (unaudited) continued

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
	<b>Utilities : 0.56%</b> (31 December 2019 : 1.81%)		
	<b>Gas, Water &amp; Multiutilities : 0.56%</b> (31 December 2019 : 1.81%)		
20,431,532	Centrica	7,874	0.56
		7,874	0.56
	<b>Total Utilities</b>	<b>7,874</b>	<b>0.56</b>
	<b>Financials : 26.30%</b> (31 December 2019 : 27.52%)		
	<b>Banks : 6.48%</b> (31 December 2019 : 10.53%)		
48,038,636	Barclays	54,956	3.95
9,306,356	HSBC Holdings	35,215	2.53
		90,171	6.48
	<b>Life Insurance : 3.63%</b> (31 December 2019 : 3.49%)		
18,463,226	Aviva	50,515	3.63
		50,515	3.63
	<b>Nonlife Insurance : 1.57%</b> (31 December 2019 : 0.00%)		
8,052,964	Direct Line Insurance Group	21,815	1.57
		21,815	1.57
	<b>Real Estate : 4.24%</b> (31 December 2019 : 5.58%)		
10,495,920	St Modwen Properties	36,211	2.60
10,091,407	Urban & Civic	22,857	1.64
		59,068	4.24
	<b>Real Estate Investment Trusts : 0.52%</b> (31 December 2019 : 0.70%)		
12,530,449	Empiric Student Property	7,255	0.52
		7,255	0.52



## Portfolio statement (unaudited) continued

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
<b>Financial Services : 9.86%</b>			
(31 December 2019 : 7.22%)			
7,980,588	3i Group	66,446	4.77
4,622,874	Jupiter Fund Management	11,844	0.85
21,106,822	Man Group	27,555	1.98
3,463,977	Numis Corp	10,704	0.77
7,804,675	Provident Financial	13,619	0.98
6,703,413	Sdcl Energy Efficiency Income Trust	7,106	0.51
		137,274	9.86
<b>Total Financials</b>		<b>366,098</b>	<b>26.30</b>
<b>Technology : 0.92%</b>			
(31 December 2019 : 0.80%)			
<b>Software &amp; Computers Services : 0.92%</b>			
(31 December 2019 : 0.80%)			
2,551,733	SDL	12,759	0.92
		12,759	0.92
<b>Total Technology</b>		<b>12,759</b>	<b>0.92</b>
<b>Portfolio of investments</b>		<b>1,379,466</b>	<b>99.06</b>
Net other liabilities		13,046	0.94
<b>Total net assets</b>		<b>1,392,512</b>	<b>100.00</b>

All securities are approved securities unless otherwise stated.



## SUMMARY OF TOP TEN PURCHASES AND SALES (UNAUDITED)

for the period ended 30 June 2020

Security	Cost	Security	Proceeds
	£'000		£'000
<b>PURCHASES</b>		<b>SALES</b>	
Direct Line Insurance Group	27,955	Lloyds Banking Group	34,963
Pearson	23,503	Rio Tinto	27,617
ConvaTec Group	23,046	BP	20,286
BP	22,609	QinetiQ	19,744
Provident Financial	19,266	GlaxoSmithKline	18,775
GlaxoSmithKline	18,412	Chemring Group	18,307
WPP	18,058	Consort Medical	16,024
Vodafone Group	16,027	Electrocomponents	15,325
Anglo American	15,818	WM Morrison Supermarkets	15,068
ITV	14,573	Centrica	14,870



## Financial statements

### STATEMENT OF TOTAL RETURN

for the period ended 30 June 2020

	30 June 2020	30 June 2020	30 June 2019	30 June 2019
	£'000	£'000	£'000	£'000
<b>Income</b>				
Net capital (losses)/gains		(565,169)		121,957
Revenue	21,892		34,452	
Expenses	(5,090)		(5,164)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	16,802		29,287	
Taxation	-		-	
Net revenue after taxation		16,802		29,287
<b>Total return before distributions</b>		<b>(548,367)</b>		<b>151,244</b>
Distributions		581		2,334
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(547,786)</b>		<b>153,578</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period ended 30 June 2020

	30 June 2020	30 June 2020	30 June 2019	30 June 2019
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>1,875,104</b>		<b>1,135,802</b>
Amounts receivable on issue of shares	528,479		643,160	
Less: Amounts payable on cancellation of shares	(463,285)		(435,708)	
		65,194		207,452
Change in net assets attributable to shareholders from investment activities		(547,786)		153,578
Retained distributions on accumulation shares		-		-
<b>Closing net assets attributable to shareholders</b>		<b>1,392,512</b>		<b>1,496,832</b>

The above statement shows the comparative closing net assets at 30 June 2019 whereas the current accounting period commenced 1 January 2020.



## Financial statements continued

# BALANCE SHEET

as at 30 June 2020

	30 June 2020	30 June 2020	31 December 2019	31 December 2019
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
<b>Fixed assets:</b>				
Investments		1,379,466		1,888,552
<b>Current assets:</b>				
Debtors	9,508		10,770	
Cash and bank balances	7,529		8,475	
<b>Total current assets</b>		<b>17,037</b>		<b>19,245</b>
<b>Total assets</b>		<b>1,396,503</b>		<b>1,907,797</b>
<b>LIABILITIES</b>				
<b>Creditors:</b>				
Other creditors	(3,991)		(6,965)	
Distribution payable on income shares	-		(25,728)	
<b>Total liabilities</b>		<b>(3,991)</b>		<b>(32,693)</b>
<b>Net assets attributable to shareholders</b>		<b>1,392,512</b>		<b>1,875,104</b>





# JOHCM UK Equity Income Fund

A Sub-Fund of J O Hambro Capital Management UK Umbrella Fund

## INVESTMENT OBJECTIVE & POLICY

The Sub-Fund's investment objective is to generate a level of income which increases year on year as well as the potential to grow the amount invested over a rolling period of seven to ten years. The Sub-Fund's target is to have a return greater than the FTSE All-Share Total Return index (12pm adjusted), which is used in the calculation of performance fees.

At least 90% of the Sub-Fund is invested in the shares of companies which are listed on the London Stock Exchange (or other UK exchanges). These will include large, medium and small-sized companies. The Sub-Fund is not expected to invest more than 25% in the shares of smaller companies, which are widely viewed as being riskier than shares in larger companies. Investing in shares of smaller companies enables the Sub-Fund to find dividend income in a broader set of companies and, in the opinion of the fund managers, differentiates the Sub-Fund from other similar funds.

At all times at least two thirds of the Sub-Fund is invested in the shares of companies that are domiciled, incorporated or have a significant portion of their business in the UK. The Sub-Fund invests in businesses that are out of favour with many other investors but which the fund managers believe are undervalued at their current share price. These are companies which pay a

dividend and where the fund managers believe the company will grow its dividend over time. Every share held in the Sub-Fund has a prospective dividend yield (the total annual dividends paid by the company expressed as a percentage of its share price) greater than the average dividend yield of the FTSE All-Share Total Return index, at the time the share was first purchased, and with a strict selling discipline once a company's dividend yield falls below the average level.

Other than investing in shares, the Sub-Fund may also invest in money market instruments, deposits, warrants and units in other collective investment schemes.

The Sub-Fund's performance may be measured against the FTSE All-Share Total Return index (12pm adjusted, the "Index"). The Index is used as a target benchmark for the Sub-Fund as the Performance Fee is payable when the performance of the Sub-Fund exceeds that of the Index. The use of the Index does not limit the investment decisions of the fund manager therefore the shareholdings of the Sub-Fund may differ significantly from those of the Index, however it may influence the weightings of investments in components of the Index. The Index is used as it is the broadest available index of shares listed on the London Stock Exchange, representing at least 98% of the market value of the shares listed.



**James Lowen**  
Senior Fund Manager

James joined JOHCM in September 2004 and has 25 years industry experience



**Clive Beagles**  
Senior Fund Manager

Clive joined JOHCM in September 2004 and has 30 years industry experience



## INVESTMENT MANAGEMENT REPORT

for the period ended 30 June 2020

### Performance

The JOHCM UK Equity Income Fund decreased by 29.19% in sterling terms, net of fees for the 'A' share class, for the six-month period ended 30 June 2020. Over the same period, the FTSE All-Share Total Return Index (12pm adjusted) decreased by 17.20%.\*

### Portfolio review

The Covid-19 global pandemic and resultant lockdowns of economies around the world prompted a rapid and brutal stock market sell-off in February and March that proved to be the quickest bear market (a 20% market fall from its peak) in history. As societies effectively closed down for weeks on end in a bid to halt the contagion, economies suffered unprecedented economic declines. The UK economy shrank by 5.8% in March, the month when lockdown commenced in the UK, and a remarkable 20% in April.

Amid concerns over rapidly escalating job losses and permanent scarring of the corporate sector, particularly those areas of the economy most hurt by the lockdowns such as travel and hospitality, governments responded with a historically unmatched level of fiscal stimulus and packages including, in the UK, a massive furlough scheme to preserve jobs. Central banks dovetailed with governments' rescue efforts by providing a torrent of liquidity. The Bank of England cut the base rate to 0.1%, undertook £200bn of quantitative easing and quickly launched a series of lending schemes to assist businesses. Signs of a quick economic bounce back towards the end of second quarter provided support to proponents of a V-shaped recovery.

The global policy largesse caused stock markets to rebound quickly, although the UK market's recovery was more subdued than other major markets. Here the resurgent US equity market was in the vanguard, powered by technology stocks, many of which were deemed 'stay at home' winners and whose business models were largely unaffected by lockdown. From a style perspective, growth and momentum stocks continued to outperform value and cyclical names, compounding a valuation gap that has grown inexorably in recent years and proved a major headwind to value-biased investment approaches.

### Fund review

Picking up from the above investment background, H1 2020 proved to be amongst the most challenging times in the Sub-Fund's 14-year history. This was primarily due to the material Covid-19 sell-off, which proved to be significantly less punishing for quality/growth managers than value followers.

In the initial phase of the market downswing, the main driver of our underperformance was our own holdings falling. Since that point, whilst these holdings have rallied the elements of the market that we do not own have continued to lead. AstraZeneca, a Covid-19 winner but not held in the portfolio, is a good example, while the wider pharmaceuticals sector, where we are zero-weighted (due to eye-watering valuations), now accounts for c. 10% of the market. Elsewhere, our other portfolio underweights (e.g. consumer staples) now also represent a much larger part of the market and keep trending upwards. This has added to the relative performance headwind.

Our cyclical and value names were badly punished, particularly within financials where Barclays, Lloyds Banking Group and Aviva were all portfolio laggards. Elsewhere, media and advertising stocks ITV and WPP also struggled

We had a small tail of portfolio holdings that could potentially have been permanently impaired as a result of the crisis. We sold or reduced position sizes in these names, the main sector being property and the main stock being Hammerson, the largest individual laggard over the period. We used the proceeds to move capital into sectors and stocks that are on the front foot, have robust balance sheets and will be able to exit this crisis strongly.

Unlike during the global financial crisis, we have significantly less stock-specific concerns. This is primarily due to the strong balance sheets that run through the Sub-Fund. We believe we have significantly improved the quality of the Sub-Fund (while avoiding taking on additional valuation risk), while also upgrading the growth prospects of the Sub-Fund through the market cycle. This strategy worked well for us following past crises (particularly in 2008-2009), and we have adopted the same tactics this time around. But there are differences between now and 2008-2009: there is less debt in the portfolio, fewer company-specific risks and the majority of our holdings are resetting to come out of this crisis strongly. We strongly believe that a number of the cyclical/value orientated sectors look highly attractive and have the scope to produce very meaningful returns from here (in our view, many of our holdings could rise 50-100% as the

\* Source: JOHCM/FTSE International Limited. Basis: Sub-Fund return, mid to mid with net income reinvested, in Sterling.



## Investment Management Report continued

pandemic fades). In the past, these stocks have performed strongly when PMI surveys begin to improve (as they did in 2009), and we believe that a similar phase has already started this time around.

The Covid-19 pandemic and associated lockdown caused a raft of dividend cuts and suspensions across the UK stock market. Peel Hunt currently estimates that about half of 'spring' dividends have been cut, with a similar outcome likely for the year as a whole.

### Outlook

Our guidance for the 2020 Sub-Fund dividend is a fall by between 45-55%. But we believe investors need to look through 2020 to 2021. We have recently modelled, on a stock-by-stock basis, what we could expect the dividend picture to be in 2021. This exercise is clearly more difficult than normal given the degree to which there is uncertainty over the economic trajectory. This is a function of how the pandemic evolves and how economies can unlock, as well as how boards decide to resume dividend payments.

The trend in recent weeks has suggested a firming up of dividend intentions, which is encouraging as we look into 2021. However, we have specifically done this analysis in a prudent and 'hair-shirted' manner given the uncertainties. We normally provide a range of expected growth (or decline) for the Sub-Fund dividend. This includes a buffer for prudence and risk, such as currency moves. Given the context and the degree to which dividends have changed, we have provided the exact growth rate highlighted by

our analysis. This is based on the current information as we see it. Our work suggests 69% year-on-year underlying growth in the Sub-Fund dividend in 2021 versus 2020. This 69% figure is based on 44% actual growth plus an abnormally large calendar effect of 25%. This rebound would leave the underlying dividend c. 20% below the 2019 level.

### James Lowen and Clive Beagles Senior Fund Managers

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## Net asset value and distribution history

### PRICE AND INCOME HISTORY

Calendar year		Highest price	Lowest price	Net distribution per share
		pence	pence	pence
2016	GBP Class A Distributing	191.60	148.40	8.439657
	GBP Class A Accumulating	332.37	246.90	14.300261
	GBP Class B Distributing	180.80	140.60	7.978091
	GBP Class B Accumulating	314.67	234.40	13.556126
	GBP Class Y Distributing	128.70	99.50	5.662879
	GBP Class Y Accumulating	133.64	99.10	5.744675
2017	GBP Class A Distributing	216.10	191.20	9.121492
	GBP Class A Accumulating	392.65	334.10	16.221348
	GBP Class B Distributing	203.30	180.40	8.601040
	GBP Class B Accumulating	370.16	316.00	15.308812
	GBP Class Y Distributing	145.10	128.40	6.118750
	GBP Class Y Accumulating	157.87	134.30	6.518490
	GBP Class X Distributing	106.90	98.20	1.980672
2018	GBP Class A Distributing	227.40	175.80	10.298631
	GBP Class A Accumulating	419.60	334.30	19.165631
	GBP Class B Distributing	213.60	164.50	9.665321
	GBP Class B Accumulating	395.00	313.70	18.031950
	GBP Class Y Distributing	152.90	118.30	6.924530
	GBP Class Y Accumulating	168.80	134.50	7.710811
	GBP Class X Distributing	112.60	87.20	5.101073
2019	GBP Class A Distributing	204.90	168.00	10.586193
	GBP Class A Accumulating	412.40	333.00	20.782536
	GBP Class B Distributing	190.80	156.70	9.883289
	GBP Class B Accumulating	384.90	311.50	19.451587
	GBP Class Y Distributing	138.00	113.10	7.126175
	GBP Class Y Accumulating	166.20	134.10	8.369109
	GBP Class X Distributing	101.80	83.40	5.255161
2020 ( to June)	GBP Class A Distributing	203.00	110.20	2.708435
	GBP Class A Accumulating	412.80	224.00	5.534949
	GBP Class B Distributing	189.00	102.60	2.516962
	GBP Class B Accumulating	385.30	208.80	5.160570
	GBP Class Y Distributing	136.80	74.20	1.826565
	GBP Class Y Accumulating	166.30	90.30	2.229418
	GBP Class X Distributing	100.90	54.80	1.346837

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## Net asset value and distribution history continued

### NET ASSET VALUES

		Net asset value of Fund	Total shares in issue	Net asset value per share	Percentage change
		£			%
GBP Class A Distributing	31 December 2018	386,267,422	218,809,908	176.53p	(17.78)
	31 December 2019	244,718,161	122,225,481	200.22p	13.42
	30 June 2020	167,862,792	121,201,419	138.50p	(30.83)
GBP Class A Accumulating	31 December 2018	314,508,955	92,600,206	339.64p	(13.50)
	31 December 2019	84,509,338	20,787,403	406.54p	19.70
	30 June 2020	55,772,003	19,418,927	287.20p	(29.36)
GBP Class B Distributing	31 December 2018	621,583,475	376,146,413	165.25p	(18.21)
	31 December 2019	680,642,779	364,955,924	186.50p	12.86
	30 June 2020	81,106,344	63,060,881	128.62p	(31.03)
GBP Class B Accumulating	31 December 2018	160,971,695	50,508,871	318.70p	(13.90)
	31 December 2019	146,504,606	38,594,645	379.60p	19.11
	30 June 2020	94,593,691	35,338,217	267.68p	(29.48)
GBP Class Y Distributing	31 December 2018	968,092,827	814,847,492	118.81p	(17.59)
	31 December 2019	1,195,529,791	886,139,246	134.91p	13.55
	30 June 2020	811,063,437	869,266,581	93.30p	(30.84)
GBP Class Y Accumulating	31 December 2018	547,562,354	400,683,250	136.66p	(13.44)
	31 December 2019	897,299,926	546,978,409	164.05p	20.04
	30 June 2020	604,196,693	521,506,681	115.86p	(29.38)
GBP Class X Distributing	31 December 2018	233,376,635	266,756,633	87.49p	(17.67)
	31 December 2019	13,704,217	13,866,099	98.83p	12.96
	30 June 2020	8,019,504	11,665,487	68.75p	(30.44)

### DISTRIBUTIONS

JOHCM UK Equity Income Fund pays quarterly distributions as follows: ex date 31 March, pay date 31 May; ex date 30 June, pay date 31 August; ex date 30 September, pay date 30 November and ex date 31 December, pay date 28 February.



## ONGOING CHARGE FIGURE

	Class A Distributing Shares		Class A Accumulating Shares		Class B Distributing Shares		Class B Accumulating Shares	
	30 Jun 2020	31 Dec 2019						
Ongoing charge figure	0.80%	0.79%	0.80%	0.79%	1.30%	1.29%	1.30%	1.29%
Performance fee	-	-	-	-	-	-	-	-
Total expense ratio	0.80%	0.79%	0.80%	0.79%	1.30%	1.29%	1.30%	1.29%

	Class Y Distributing Shares		Class Y Accumulating Shares		Class X Distributing Shares	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
Ongoing charge figure	0.67%	0.66%	0.67%	0.66%	0.60%	0.59%
Performance fee	-	-	-	-	-	-
Total expense ratio	0.67%	0.66%	0.67%	0.66%	0.60%	0.59%



## PERFORMANCE RECORD

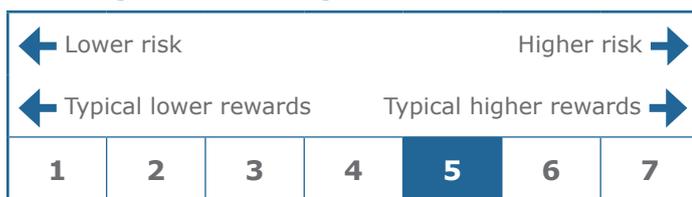
In the period from 1 January 2020 to 30 June 2020, the price of the Class A shares in the Sub-Fund decreased by 29.19%. This compares with a drop of 17.20% in the UK FTSE All-Share Total Return Index (adjusted for 12 noon) over the same period.

Source: JOHCM/FTSE International Limited. Basis: Sub-Fund return, mid to mid with net income reinvested, in Sterling.

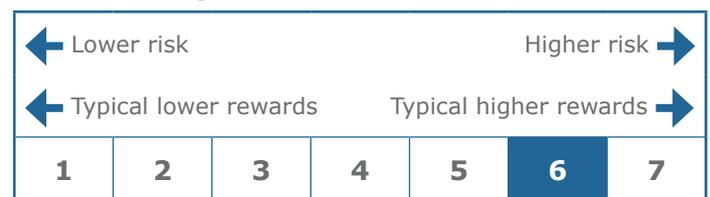
Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.

## RISK AND REWARD PROFILE

Applicable to all share classes in the Sub-Fund, excluding B accumulating share class.



Applicable to JOHCM UK Equity Income Fund, B accumulating share class.



The risk and reward indicator is calculated on the basis of the share class volatility (the ups and downs in its value) over the prior five year period.

The risk and reward indicator:

- is based on historical data and may not be a reliable indication for the future;
- is not guaranteed and may change over time.
- The lowest category does not mean that a share class is risk free.

The share class category reflects the following factors:

- Higher volatility can result from investments in shares as their value may fluctuate more than other financial instruments, such as bonds.
- Your initial investment is not guaranteed.

In addition to the risk captured by the indicator, the Sub-Fund value may be affected by:

- Any change in the Company's tax status or in legislation could affect the value of investments held by the Company.
- Political and /or regulatory Risks.
- Liquidity risk: The risk that some securities held by the Sub-Fund may be difficult or impossible to sell at the desired time and price. The Sub-Fund's investments include shares in small-cap companies. Small-cap companies tend to be traded less frequently and in lower volumes than larger companies making them potentially less liquid and more volatile.
- Investors should note that a more detailed description of risk factors is set out in full in the Prospectus.
- Since 31 December 2019 the following change took place:
  - (i) the risk and reward indicators for JOHCM UK Equity Income Fund B accumulating share class was amended from 5 to 6.



## PORTFOLIO STATEMENT (UNAUDITED)

as at 30 June 2020

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
	<b>Oil &amp; Gas : 12.16%</b>		
	(31 December 2019 : 15.91%)		
	<b>Oil &amp; Gas Producers : 10.93%</b>		
	(31 December 2019 : 14.48%)		
35,657,913	BP	109,523	6.01
27,122,072	Diversified Gas & Oil	26,010	1.43
4,811,665	Royal Dutch Shell 'B'	58,895	3.23
64,904,869	Savannah Energy	4,777	0.26
		199,205	10.93
	<b>Oil Equipment, Services &amp; Distribution : 1.23%</b>		
	(31 December 2019 : 1.43%)		
12,526,006	Petrofac	22,328	1.23
		22,328	1.23
	<b>Total Oil &amp; Gas</b>	<b>221,533</b>	<b>12.16</b>
	<b>Basic Materials : 14.63%</b>		
	(31 December 2019 : 9.67%)		
	<b>Forestry &amp; Paper : 1.33%</b>		
	(31 December 2019 : 0.00%)		
1,603,588	Mondi	24,222	1.33
		24,222	1.33
	<b>Mining : 13.30%</b>		
	(31 December 2019 : 9.67%)		
3,866,889	Anglo American	72,288	3.97
14,515,725	Central Asia Metals	21,019	1.15
42,158,558	Glencore	72,184	3.96
2,561,193	Kenmare Resources	4,994	0.27
1,580,915	Rio Tinto	71,908	3.95
		242,393	13.30
	<b>Total Basic Materials</b>	<b>266,615</b>	<b>14.63</b>



## Portfolio statement (unaudited) continued

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
	<b>Industrials : 10.50%</b>		
	(31 December 2019 : 11.68%)		
	<b>Construction &amp; Materials : 3.44%</b>		
	(31 December 2019 : 5.10%)		
24,541,558	Costain Group	17,375	0.95
8,899,299	Eurocell	14,239	0.78
1,220,183	Keller Group	7,724	0.42
6,658,494	Norcros	10,187	0.56
7,014,211	Tyman	13,299	0.73
		62,824	3.44
	<b>General Industrials : 2.80%</b>		
	(31 December 2019 : 2.96%)		
15,541,122	Smith (David S)	51,006	2.80
		51,006	2.80
	<b>Industrial Engineering : 0.59%</b>		
	(31 December 2019 : 0.71%)		
18,418,587	Severfield-Rowen	10,683	0.59
		10,683	0.59
	<b>Support Services : 3.67%</b>		
	(31 December 2019 : 2.91%)		
4,602,025	Michael Page International	17,405	0.96
13,128,748	Redde Northgate	21,767	1.19
10,223,728	Sthree	27,604	1.52
		66,776	3.67
	<b>Total Industrials</b>	<b>191,289</b>	<b>10.50</b>
	<b>Consumer Goods : 6.35%</b>		
	(31 December 2019 : 6.44%)		
	<b>Household Goods &amp; Home Construction : 6.35%</b>		
	(31 December 2019 : 6.44%)		
12,503,301	Countryside Properties	41,386	2.27
6,836,339	Galliford Try Holdings	8,085	0.44
3,950,101	Headlam Group	10,744	0.59
9,852,525	McCarthy & Stone	6,936	0.38
6,841,381	Vistry Group	48,608	2.67
		115,759	6.35
	<b>Total Consumer Goods</b>	<b>115,759</b>	<b>6.35</b>



## Portfolio statement (unaudited) continued

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
<b>Consumer Services : 18.42%</b>			
(31 December 2019 : 15.02%)			
<b>Food &amp; Drug Retailers : 6.37%</b>			
(31 December 2019 : 4.09%)			
34,412,277	Tesco	78,494	4.31
19,664,897	WM Morrison Supermarkets	37,452	2.06
		115,946	6.37
<b>General Retailers : 1.73%</b>			
(31 December 2019 : 2.11%)			
16,080,998	DFS Furniture	26,501	1.45
25,537,543	Lookers	5,108	0.28
		31,609	1.73
<b>Media : 8.34%</b>			
(31 December 2019 : 7.31%)			
35,722,434	Hipgnosis Songs Fund	41,259	2.26
67,215,961	ITV	50,183	2.75
9,618,504	WPP	60,635	3.33
		152,077	8.34
<b>Travel &amp; Leisure : 1.98%</b>			
(31 December 2019 : 1.51%)			
2,229,266	EasyJet	15,159	0.83
11,248,680	National Express Group	21,013	1.15
		36,172	1.98
<b>Total Consumer Services</b>		<b>335,804</b>	<b>18.42</b>
<b>Telecommunications : 4.03%</b>			
(31 December 2019 : 2.98%)			
<b>Mobile Telecommunications : 4.03%</b>			
(31 December 2019 : 2.98%)			
57,026,635	Vodafone Group	73,485	4.03
		73,485	4.03
<b>Total Telecommunications</b>		<b>73,485</b>	<b>4.03</b>



## Portfolio statement (unaudited) continued

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
	<b>Utilities : 1.23%</b>		
	(31 December 2019 : 0.96%)		
	<b>Electricity : 1.23%</b>		
	(31 December 2019 : 0.96%)		
2,358,046	Drax Group	6,065	0.33
1,197,169	SSE	16,335	0.90
		22,400	1.23
	<b>Total Utilities</b>	<b>22,400</b>	<b>1.23</b>
	<b>Financials : 19.95%</b>		
	(31 December 2019 : 26.11%)		
	<b>Banks : 9.84%</b>		
	(31 December 2019 : 12.26%)		
62,456,423	Barclays	71,450	3.92
204,783,344	Lloyds Banking Group	63,841	3.50
10,044,914	Standard Chartered	44,198	2.42
		179,489	9.84
	<b>Real Estate : 1.37%</b>		
	(31 December 2019 : 1.60%)		
77,202,863	Dolphin Capital Investors	2,239	0.12
44,291,684	Raven Property Group	14,572	0.80
10,634,038	U & I Group	8,209	0.45
		25,020	1.37
	<b>Real Estate Investment Trusts : 0.62%</b>		
	(31 December 2019 : 3.30%)		
3,721,006	Palace Capital	6,251	0.34
15,290,016	Real Estate Investors	5,046	0.28
		11,297	0.62



## Portfolio statement (unaudited) continued

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
	<b>Financial Services : 8.12%</b>		
	(31 December 2019 : 8.95%)		
2,241,704	Brewin Dolphin Holdings	5,840	0.32
2,596,405	Charles Stanley Group	6,699	0.37
7,890,441	Morses Club	3,709	0.20
9,221,411	Paragon Group of Cos	32,275	1.77
3,021,606	Polar Capital Holdings	15,168	0.83
21,681,648	Standard Life Aberdeen	58,020	3.18
6,231,913	TP ICAP	21,862	1.20
8,329,036	Urban Exposure	4,498	0.25
		148,071	8.12
	<b>Total Financials</b>	<b>363,877</b>	<b>19.95</b>
	<b>Insurance : 11.26%</b>		
	(31 December 2019 : 10.41%)		
	<b>Nonlife Insurance : 1.36%</b>		
	(31 December 2019 : 0.96%)		
15,935,485	Randall And Quilter Investment	24,700	1.36
		24,700	1.36
	<b>Life Insurance : 9.90%</b>		
	(31 December 2019 : 9.45%)		
18,169,995	Aviva	49,713	2.73
31,226,934	Legal & General Group	68,980	3.79
9,574,490	Phoenix Group Holdings	61,660	3.38
		180,353	9.90
	<b>Total Insurance</b>	<b>205,053</b>	<b>11.26</b>
	<b>Portfolio of investments</b>	<b>1,795,815</b>	<b>98.53</b>
	Net other liabilities	26,799	1.47
	<b>Total net assets</b>	<b>1,822,614</b>	<b>100.00</b>

All securities are approved securities unless otherwise stated.



## SUMMARY OF TOP TEN PURCHASES AND SALES (UNAUDITED)

for the period ended 30 June 2020

Security	Cost	Security	Proceeds
	£'000		£'000
<b>PURCHASES</b>		<b>SALES</b>	
Vistry Group	59,202	Royal Dutch Shell 'B'	76,268
Legal & General Group	33,996	BP	69,621
Anglo American	29,197	Morgan Sindall	64,850
Mondi	26,822	HSBC Holdings	56,427
National Express Group	24,752	Vistry Group	47,954
WPP	23,646	Forterra	43,350
Tesco	23,454	Barclays	42,395
ITV	21,085	Smith (David S)	41,591
Standard Chartered	19,955	Standard Life Aberdeen	37,896
Lloyds Banking Group	19,286	Phoenix Group Holdings	37,628



## Financial statements

### STATEMENT OF TOTAL RETURN

for the period ended 30 June 2020

	30 June 2020	30 June 2020	30 June 2019	30 June 2019
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(820,343)		172,286
Revenue	37,659		103,934	
Expenses	(8,019)		(13,897)	
Interest payable and similar charges	(5)		-	
Net revenue before taxation	29,635		90,037	
Taxation	(190)		(101)	
Net revenue after taxation		29,445		89,936
<b>Total return before distributions</b>		<b>(790,898)</b>		<b>262,222</b>
Distributions		(36,968)		(103,210)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(827,866)</b>		<b>159,012</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period ended 30 June 2020

	30 June 2020	30 June 2020	30 June 2019	30 June 2019
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>3,262,909</b>		<b>3,232,363</b>
Amounts receivable on issue of shares	430,811		439,048	
Less: Amounts payable on cancellation of shares	(1,058,293)		(532,893)	
		(627,482)		(93,845)
Change in net assets attributable to shareholders from investment activities		(827,866)		159,012
Retained distributions on accumulation shares		15,053		31,709
<b>Closing net assets attributable to shareholders</b>		<b>1,822,614</b>		<b>3,329,239</b>

The above statement shows the comparative closing net assets at 30 June 2019 whereas the current accounting period commenced 1 January 2020.



## Financial statements continued

# BALANCE SHEET

as at 30 June 2020

	30 June 2020	30 June 2020	31 December 2019	31 December 2019
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
<b>Fixed assets:</b>				
Investments		1,795,815		3,236,061
<b>Current assets:</b>				
Debtors	19,289		16,334	
Cash and bank balances	30,333		41,641	
<b>Total current assets</b>		<b>49,622</b>		<b>57,975</b>
<b>Total assets</b>		<b>1,845,437</b>		<b>3,294,036</b>
<b>LIABILITIES</b>				
<b>Creditors:</b>				
Other creditors	(14,202)		(9,371)	
Distribution payable on income shares	(8,621)		(21,756)	
<b>Total liabilities</b>		<b>(22,823)</b>		<b>(31,127)</b>
<b>Net assets attributable to shareholders</b>		<b>1,822,614</b>		<b>3,262,909</b>



## Financial statements continued

### DISTRIBUTIONS

for the six months ended 30 June 2020

JOHCM UK Equity Income Fund pays quarterly distributions as follows: ex date 31 March, pay date 31 May; ex date 30 June, pay date 31 August; ex date 30 September, pay date 30 November and ex date 31 December, pay date 28 February.

The following tables on pages 34 to 35 show the distributions paid and payable by each share class:

#### First interim distribution

		Net income	Equalisation	Distribution paid 31.05.20	Distribution paid 31.05.19
		pence per share	pence per share*	pence per share	pence per share
<b>Group 1: Shares purchased prior to 1 January 2020</b>					
<b>Group 2: Shares purchased from 1 January 2020 to 31 March 2020</b>					
GBP Class A Distributing	Group 1	1.593031	-	1.593031	2.095761
GBP Class A Distributing	Group 2	-	1.593031	1.593031	2.095761
GBP Class B Distributing	Group 1	1.479060	-	1.479060	1.959771
GBP Class B Distributing	Group 2	0.364508	1.114552	1.479060	1.959771
GBP Class Y Distributing	Group 1	1.073069	-	1.073069	1.410218
GBP Class Y Distributing	Group 2	0.173536	0.899533	1.073069	1.410218
GBP Class X Distributing	Group 1	0.792015	-	0.792015	1.039502
GBP Class X Distributing	Group 2	0.235355	0.556660	0.792015	1.039502
GBP Class A Accumulating	Group 1	3.239119	-	3.239119	4.029362
GBP Class A Accumulating	Group 2	1.545867	1.693252	3.239119	4.029362
GBP Class B Accumulating	Group 1	3.021002	-	3.021002	3.777794
GBP Class B Accumulating	Group 2	2.034489	0.986513	3.021002	3.777794
GBP Class Y Accumulating	Group 1	1.305161	-	1.305161	1.622054
GBP Class Y Accumulating	Group 2	0.273537	1.031624	1.305161	1.622054

\* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.



## Financial statements continued

### Second interim distribution

		Net income	Equalisation	Distribution paid 30.08.20	Distribution paid 28.08.19
		pence per share	pence per share*	pence per share	pence per share
<b>Group 1: Shares purchased prior to 1 April 2020</b>					
<b>Group 2: Shares purchased from 1 April 2020 to 30 June 2020</b>					
GBP Class A Distributing	Group 1	1.115404	-	1.115404	3.652385
GBP Class A Distributing	Group 2	0.448004	0.667400	1.115404	3.652385
GBP Class B Distributing	Group 1	1.037902	-	1.037902	3.412412
GBP Class B Distributing	Group 2	0.395788	0.642114	1.037902	3.412412
GBP Class Y Distributing	Group 1	0.753496	-	0.753496	2.458241
GBP Class Y Distributing	Group 2	0.483086	0.270410	0.753496	2.458241
GBP Class X Distributing	Group 1	0.554822	-	0.554822	1.812391
GBP Class X Distributing	Group 2	0.515168	0.039654	0.554822	1.812391
GBP Class A Accumulating	Group 1	2.295830	-	2.295830	7.100018
GBP Class A Accumulating	Group 2	1.681188	0.614642	2.295830	7.100018
GBP Class B Accumulating	Group 1	2.139568	-	2.139568	6.650840
GBP Class B Accumulating	Group 2	1.161689	0.977879	2.139568	6.650840
GBP Class Y Accumulating	Group 1	0.924257	-	0.924257	2.858859
GBP Class Y Accumulating	Group 2	0.601997	0.322260	0.924257	2.858859

\* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.





# JOHCM UK Opportunities Fund

A Sub-Fund of J O Hambro Capital Management UK Umbrella Fund

## INVESTMENT OBJECTIVE & POLICY

The Sub-Fund's investment objective is to achieve capital growth over a rolling seven to ten year period as well as providing income. The Sub-Fund's target is to have a return greater than the FTSE All-Share Total Return index (12pm adjusted), which is used in the calculation of performance fees.

At least two thirds of the Sub-Fund is invested in the shares of companies which are either domiciled, incorporated, listed or have a significant portion of their business in the UK. Up to 10% of the Sub-Fund may be invested in the shares of non-UK listed companies. Up to one third of the Sub-Fund may be held in cash, money market instruments, deposits, warrants and units in other collective investment schemes. The Sub-Fund will invest in a concentrated portfolio of 20-40 companies.

The fund managers aim to identify companies which meet their strict criteria of quality and valuation. Quality is assessed through many measures, including analysis of company's financial statements, how management are allocating capital, whether levels of debt are suitable for the business model and how cash flows will be maintained and grown in the future. A good company needs to come at the right price and the

fund managers look to buy companies below the value of their long-term cash flows.

The fund managers engage with the management of the companies in which the Sub-Fund invests to encourage capital allocation and governance policies which are sustainable for the company's business, its customers, suppliers and the industry and the environment in which it operates.

The Sub-Fund's performance may be measured against the FTSE All-Share Total Return Index (12pm adjusted, the "Index"). The Index is used as a target benchmark for the Sub-Fund as the Performance Fee for the Sub-Fund is payable when the performance of the Sub-Fund exceeds that of the Index. The use of the Index does not limit the investment decisions of the fund manager therefore the shareholdings of the Sub-Fund may differ significantly from those of the Index. The Index is used as it is the broadest available index of shares listed on the London Stock Exchange, representing at least 98% of the market value of the shares listed.



**Rachel Reutter**  
Senior Fund Manager  
Rachel joined JOHCM in September 2012 and has 13 years industry experience



**Michael Ulrich**  
Senior Fund Manager  
Michael joined JOHCM in August 2015 and has 23 years industry experience



## INVESTMENT MANAGEMENT REPORT

for the period ended 30 June 2020

### Performance

The JOHCM UK Opportunities Fund decreased by 9.09% in sterling terms, net of fees for the 'A' share class, for the six-month period ended 30 June 2020. Over the same period, the FTSE All-Share Total Return Index (12pm adjusted) decreased by 17.20%.\*

### Portfolio review

The Covid-19 global pandemic and resultant lockdowns of economies around the world, which combined with high starting points in corporate leverage and market valuations, prompted a rapid and brutal stock market sell-off in February and March that proved to be the quickest bear market (a 20% market fall from its peak) in history. As societies effectively closed down for weeks on end in a bid to halt the contagion, economies suffered unprecedented economic declines. The UK economy shrank by 5.8% in March, the month when lockdown commenced in the UK, and a remarkable 20% in April.

Amid concerns over rapidly escalating job losses and permanent scarring of the corporate sector, particularly those areas of the economy most hurt by the lockdowns such as travel and hospitality, governments responded with a historically unmatched level of fiscal stimulus and packages including, in the UK, a massive furlough scheme to preserve jobs. Central banks dovetailed with governments' rescue efforts by providing a torrent of liquidity. The Bank of England cut the base rate to 0.1%, undertook £200bn of quantitative easing and quickly launched a series of lending schemes to assist businesses.

The global policy largesse caused stock markets to rebound quickly, whilst in the real world companies have had to take on more debt to

survive and their operating models have faced unprecedented challenges.

### Fund review

The Sub-Fund significantly outperformed its benchmark over the period. Relative performance was driven not just by our large cash position entering the Covid-19 market sell-off and underweight in financials, but also solid stock selection. Within financials, not owning banks proved helpful while supermarket group WM Morrison was one of a number of food retailers that profited from both its defensive qualities and panic buying from consumers at the start of lockdown. Barrick Gold was comfortably the top performer over the period as it benefited from a rising gold price in response to unprecedented money printing by central banks. In the debit column, brickmaker Ibstock was hurt by the collapse in construction activity, while retailer Next was an obvious short-term casualty of the retail shutdown.

We were active in our response to the market sell-off, deploying cash into high quality companies that are set to benefit from future tailwinds. Periods of weakness have enabled us to add to names including Smith & Nephew and Compass Group. During March we established new positions in Homeserve, Diageo, Sage, Intertek, Experian and Severn Trent. In April, we bought new positions in UDG Healthcare, Ferguson and Ashtead Group. These businesses benefit from the core characteristics we favour: high margins; well-established market positions; recurring revenues, sensible balance sheets; and positive long-term growth tailwinds. The valuation window for certain stocks was narrow, so in some cases we have smaller position sizes that we look to increase as events unfold.

Rather than speculate on the shape or pace of an economic recovery, we continue to focus on companies that can deliver long-term structural growth. We look for companies that can grow sustainably by selling more products and services to more customers for a long period of time. In order to achieve this growth, there must be both the market opportunity (growth runway) and a willingness of management to invest. On the other side, we used our sell-to-zero discipline on companies where the facts had changed for the worse and headwinds had either appeared during the crisis, accelerated, or left us with balance sheet uncertainty. During the period, we sold BP, Lancashire Holdings, Direct Line Group, Royal Dutch Shell 'B', Ibstock and Bodycote.

Within our investment process we believe we add value where our top-down analysis of structural trends meets bottom-up detailed stock analysis. We identify the big picture drivers of long-term cash flows and ensure management are investing to capture the opportunity in a way that creates value. We carefully monitor the progress of return on capital employed (ROCE) and engage with remuneration committees to ensure management are rewarded and held accountable for their investment decisions. On an aggregate level, where the Sub-Fund owns both asset-heavy and asset-light business models, the median forward-looking ROCE is 12.8%, with a healthy growth in cash flows of 5% p.a.

Our portfolio is dominated by large and diverse companies that have both sizeable addressable market opportunities and management that are prioritising investment. We have positioned the Sub-Fund to benefit from some of the market-leading

\* Source: JOHCM/FTSE International Limited. Basis: Sub-Fund return, mid to mid with net income reinvested, in Sterling.



## Investment Management Report continued

platform businesses listed in the UK that we believe will emerge stronger and with greater market share after this crisis is over. This includes Next, with its leading online apparel offering, Sage in cloud based services and Homeserve in the home repairs market.

### Outlook

We have a long history of engaging with companies on governance issues, and we believe how companies respond to the Covid-19 crisis towards all stakeholders and the wider environment they operate in will be a determining factor of future success.

Finally, we believe that politics matters more than ever. We want to own companies well positioned to benefit from the explosion of new government policies or who can help implement change for government. For example, we own Serco, which has transformed its contract-writing discipline and balance sheet and is now winning significant amounts of new contracts from governments globally. Intertek is set to benefit from more testing of workplaces and supply-chain auditing for companies. SSE and National Grid offer multi-year growth potential as they transform the energy landscape and aid the government in reaching 'net zero' by 2050.

**Rachel Reutter**  
**Senior Fund Manager**

**Michael Ulrich**  
**Senior Fund Manager**

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## Net asset value and distribution history

### PRICE AND INCOME HISTORY

Calendar year		Highest price	Lowest price	Net distribution per share
		pence	pence	pence
2016	GBP Class A Distributing	212.20	169.90	6.265285
	GBP Class A Accumulating	277.20	222.10	8.187609
	GBP Class B Distributing	205.00	164.60	6.061904
	GBP Class B Accumulating	264.00	212.10	7.808119
	GBP Class Y Distributing	142.00	113.80	4.193602
	GBP Class Y Accumulating	154.00	123.40	4.548778
	GBP Class X Distributing	119.00	95.50	3.514919
	GBP Class X Accumulating	127.20	102.00	3.755349
2017	GBP Class A Distributing	213.40	199.10	7.166800
	GBP Class A Accumulating	287.40	268.10	9.685400
	GBP Class B Distributing	205.40	192.00	6.879100
	GBP Class B Accumulating	272.80	254.90	9.131200
	GBP Class Y Distributing	142.90	133.20	4.772100
	GBP Class Y Accumulating	159.80	149.00	5.354200
	GBP Class X Distributing	119.80	111.70	3.985700
	GBP Class X Accumulating	132.00	123.10	4.415100
2018	GBP Class A Distributing	208.60	187.70	6.720416
	GBP Class A Accumulating	290.80	261.70	9.370686
	GBP Class B Distributing	199.60	180.00	6.435586
	GBP Class B Accumulating	274.40	247.40	8.846707
	GBP Class Y Distributing	139.90	125.90	4.506944
	GBP Class Y Accumulating	161.90	145.70	5.217633
	GBP Class X Distributing	117.40	105.60	3.781050
	GBP Class X Accumulating	133.80	120.40	4.310961
2019	GBP Class A Distributing	219.10	191.60	6.455386
	GBP Class A Accumulating	316.10	276.50	9.314854
	GBP Class B Distributing	208.20	183.00	6.149655
	GBP Class B Accumulating	296.20	260.30	8.748777
	GBP Class Y Distributing	147.20	128.60	4.334695
	GBP Class Y Accumulating	176.30	154.00	5.192863
	GBP Class X Distributing	123.60	107.90	3.637914
	GBP Class X Accumulating	145.70	127.30	4.291325
2020 (to June)	GBP Class A Distributing	211.80	151.40	-
	GBP Class A Accumulating	315.00	225.30	-
	GBP Class B Distributing	201.20	143.80	-
	GBP Class B Accumulating	295.00	210.90	-
	GBP Class Y Distributing	142.30	101.70	-
	GBP Class Y Accumulating	175.70	125.60	-
	GBP Class X Distributing	119.50	85.30	-
	GBP Class X Accumulating	145.20	103.70	-

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## Net asset value and distribution history continued

### NET ASSET VALUES

		Net asset value of Fund	Total shares in issue	Net asset value per share	Percentage change
		£			%
GBP Class A Distributing	31 December 2018	36,055,927	18,820,014	191.58p	(5.16)
	31 December 2019	30,309,863	14,407,569	210.37p	9.81
	30 June 2020	24,390,159	12,803,946	190.49p	(9.45)
GBP Class A Accumulating	31 December 2018	38,256,102	13,833,850	276.54p	(2.41)
	31 December 2019	39,499,780	12,627,919	312.80p	13.11
	30 June 2020	32,586,042	11,488,273	283.65p	(9.32)
GBP Class B Distributing	31 December 2018	2,200,174	1,186,435	185.44p	(5.43)
	31 December 2019	1,644,068	816,612	201.33p	8.57
	30 June 2020	1,217,862	671,284	181.42p	(9.89)
GBP Class B Accumulating	31 December 2018	25,818,379	9,919,781	260.27p	(2.91)
	31 December 2019	12,941,763	4,420,169	292.79p	12.49
	30 June 2020	10,236,625	3,863,475	264.96p	(9.51)
GBP Class Y Distributing	31 December 2018	111,265,987	86,495,228	128.64p	(4.99)
	31 December 2019	110,363,312	78,119,019	141.28p	9.83
	30 June 2020	81,991,748	64,023,066	128.07p	(9.35)
GBP Class Y Accumulating	31 December 2018	176,058,892	114,252,708	154.10p	(2.26)
	31 December 2019	203,695,469	116,787,119	174.42p	13.19
	30 June 2020	165,036,780	104,388,127	158.10p	(9.36)
GBP Class X Distributing	31 December 2018	27,569,538	25,556,512	107.88p	(5.02)
	31 December 2019	16,398,521	13,837,934	118.50p	9.84
	30 June 2020	10,631,608	9,892,739	107.47p	(9.31)
GBP Class X Accumulating	31 December 2018	31,790,282	24,968,470	127.32p	(2.32)
	31 December 2019	6,702,737	4,654,243	144.01p	13.11
	30 June 2020	2,352,892	2,352,892	130.10p	(9.66)

### DISTRIBUTIONS

JOHCM UK Opportunities Fund pays an annual distribution with ex date 31 December and pay date of 28 February.



## ONGOING CHARGE FIGURE

	Class A Distributing Shares		Class A Accumulating Shares		Class B Distributing Shares		Class B Accumulating Shares	
	30 Jun 2020	31 Dec 2019						
Ongoing charge figure	0.88%	0.85%	0.88%	0.85%	1.38%	1.35%	1.38%	1.36%
Performance fee	0.92%	-	0.77%	-	-	-	-	-
Total expense ratio	1.80%	0.85%	1.65%	0.85%	1.38%	1.35%	1.38%	1.36%

	Class Y Distributing Shares		Class Y Accumulating Shares		Class X Distributing Shares		Class X Accumulating Shares	
	30 Jun 2020	31 Dec 2019						
Ongoing charge figure	0.76%	0.73%	0.76%	0.72%	0.73%	0.70%	0.73%	0.70%
Performance fee	1.63%	-	1.48%	-	1.78%	-	1.76%	-
Total expense ratio	2.39%	0.73%	2.24%	0.72%	2.51%	0.70%	2.49%	0.70%



## PERFORMANCE RECORD

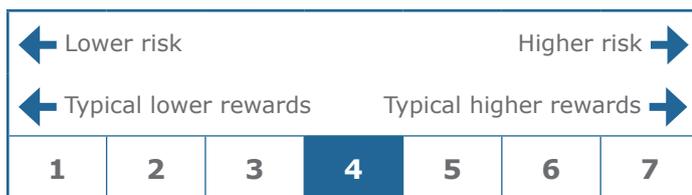
In the period from 1 January 2020 to 30 June 2020 the price of the Class A shares in the Sub-Fund decreased by 9.09%. This compares with a drop of 17.20% in the FTSE All-Share Total Return Index (adjusted for 12 noon) over the same period.

Source: JOHCM/FTSE International Limited. Basis: Sub-Fund return, mid to mid with net income reinvested, in Sterling.

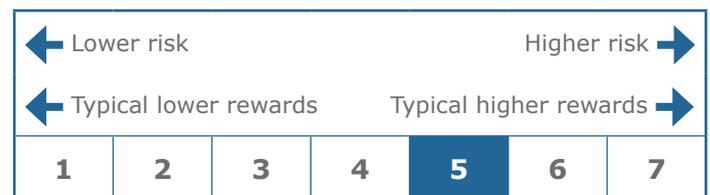
Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.

## RISK AND REWARD PROFILE

**Applicable to all other share classes in the Sub-Fund, excluding Y accumulating share class and X accumulating share class.**



**Applicable to the JOHCM UK Opportunities Fund, Y accumulating share class and X accumulating share class.**



The risk and reward indicator is calculated on the basis of the share class volatility (the ups and downs in its value) over the prior five year period.

The risk and reward indicator:

- is based on historical data and may not be a reliable indication for the future;
- is not guaranteed and may change over time.
- The lowest category does not mean that a share class is risk free.

The share class category reflects the following factors:

- Higher volatility can result from investments in shares as their value may fluctuate more than other financial instruments, such as bonds.
- Your initial investment is not guaranteed.

In addition to the risk captured by the indicator, the Sub-Fund value may be affected by:

- Any change in the Company's tax status or in legislation could affect the value of investments held by the Company.
- Political and /or regulatory Risks.
- Liquidity risk: The risk that some securities held by the Sub-Fund may be difficult or impossible to sell at the desired time and price. The Sub-Fund's investments include shares in small-cap companies. Small-cap companies tend to be traded less frequently and in lower volumes than larger companies making them potentially less liquid and more volatile.
- Investors should note that a more detailed description of risk factors is set out in full in the Prospectus.



## PORTFOLIO STATEMENT (UNAUDITED)

as at 30 June 2020

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
	<b>Oil &amp; Gas : 0.00%</b>		
	(31 December 2019 : 7.89%)		
	<b>Basic Materials : 8.53%</b>		
	(31 December 2019 : 8.61%)		
	<b>Chemicals : 2.34%</b>		
	(31 December 2019 : 3.14%)		
367,874	Johnson Matthey	7,714	2.34
		7,714	2.34
	<b>Mining : 6.19%</b>		
	(31 December 2019 : 5.47%)		
496,708	Barrick Gold	10,903	3.31
208,732	Rio Tinto	9,494	2.88
		20,397	6.19
	<b>Total Basic Materials</b>	<b>28,111</b>	<b>8.53</b>
	<b>Industrials : 24.60%</b>		
	(31 December 2019 : 16.47%)		
	<b>Aerospace &amp; Defense : 2.50%</b>		
	(31 December 2019 : 0.00%)		
2,767,069	QinetiQ	8,229	2.50
		8,229	2.50
	<b>Construction &amp; Materials : 0.00%</b>		
	(31 December 2019 : 2.77%)		
	<b>General Industrials : 22.10%</b>		
	(31 December 2019 : 9.90%)		
215,720	Ashtead Group	5,857	1.78
241,229	Bunzl	5,225	1.59
81,918	DCC	5,510	1.67
87,931	Experian	2,479	0.75
137,637	Ferguson	9,101	2.76
6,524,685	Hays	7,764	2.36
912,949	HomeServe	11,868	3.60
130,727	Intertek Group	7,109	2.16
687,557	Smiths Group	9,670	2.94
727,334	Travis Perkins	8,186	2.49
		72,769	22.10



## Portfolio statement (unaudited) continued

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
	<b>Support Services : 0.00%</b> (31 December 2019 : 2.01%)		
	<b>Industrial Engineering : 0.00%</b> (31 December 2019 : 1.79%)		
	<b>Total Industrials</b>	<b>80,998</b>	<b>24.60</b>
	<b>Consumer Goods : 18.81%</b> (31 December 2019 : 18.65%)		
	<b>Beverages : 1.87%</b> (31 December 2019 : 0.00%)		
229,874	Diageo	6,164	1.87
		6,164	1.87
	<b>Support Services : 3.87%</b> (31 December 2019 : 2.32%)		
8,351,491	Serco Group	12,735	3.87
		12,735	3.87
	<b>Food Producers : 3.06%</b> (31 December 2019 : 6.12%)		
1,507,295	Tate & Lyle	10,063	3.06
		10,063	3.06
	<b>Personal Goods : 10.01%</b> (31 December 2019 : 7.25%)		
5,523,333	PZ Cussons	10,207	3.10
153,565	Reckitt Benckiser Group	11,413	3.47
259,916	Unilever	11,319	3.44
		32,939	10.01
	<b>Tobacco : 0.00%</b> (31 December 2019 : 2.96%)		
	<b>Total Consumer Goods</b>	<b>61,901</b>	<b>18.81</b>



## Portfolio statement (unaudited) continued

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
	<b>Health Care : 9.13%</b>		
	(31 December 2019 : 4.81%)		
	<b>Health Care Equipment &amp; Services : 5.43%</b>		
	(31 December 2019 : 1.56%)		
660,453	Smith & Nephew	9,943	3.02
1,107,179	UDG Healthcare	7,950	2.41
		17,893	5.43
	<b>Pharmaceuticals &amp; Biotechnology : 3.70%</b>		
	(31 December 2019 : 3.25%)		
745,371	GlaxoSmithKline	12,196	3.70
		12,196	3.70
	<b>Total Health Care</b>	<b>30,089</b>	<b>9.13</b>
	<b>Consumer Services : 14.91%</b>		
	(31 December 2019 : 15.63%)		
	<b>General Retailers : 1.91%</b>		
	(31 December 2019 : 4.03%)		
128,211	Next	6,275	1.91
		6,275	1.91
	<b>Food &amp; Drug Retailers : 5.52%</b>		
	(31 December 2019 : 6.65%)		
3,703,746	Tesco	8,448	2.57
5,092,539	WM Morrison Supermarkets	9,699	2.95
		18,147	5.52
	<b>Media : 2.90%</b>		
	(31 December 2019 : 2.82%)		
509,920	Reed Elsevier	9,536	2.90
		9,536	2.90
	<b>Travel &amp; Leisure : 4.58%</b>		
	(31 December 2019 : 2.13%)		
740,672	Compass Group	8,236	2.50
308,384	Whitbread	6,837	2.08
		15,073	4.58
	<b>Total Consumer Services</b>	<b>49,031</b>	<b>14.91</b>



## Portfolio statement (unaudited) continued

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
	<b>Telecommunications : 3.51%</b> (31 December 2019 : 3.23%)		
	<b>Mobile Telecommunications : 3.51%</b> (31 December 2019 : 3.23%)		
8,955,500	Vodafone Group	11,540	3.51
		11,540	3.51
	<b>Total Telecommunications</b>	<b>11,540</b>	<b>3.51</b>
	<b>Utilities : 6.67%</b> (31 December 2019 : 0.00%)		
	<b>Electricity : 3.33%</b> (31 December 2019 : 0.00%)		
802,980	SSE	10,957	3.33
		10,957	3.33
	<b>Gas, Water &amp; Multiutilities : 3.34%</b> (31 December 2019 : 0.00%)		
1,111,144	National Grid	10,980	3.34
		10,980	3.34
	<b>Total Utilities</b>	<b>21,937</b>	<b>6.67</b>
	<b>Insurance : 0.00%</b> (31 December 2019 : 3.22%)		
	<b>Technology : 2.64%</b> (31 December 2019 : 0.00%)		
	<b>Software &amp; Computers Services : 2.64%</b> (31 December 2019 : 0.00%)		
1,295,458	Sage Group	8,698	2.64
		8,698	2.64
	<b>Total Technology</b>	<b>8,698</b>	<b>2.64</b>



## Portfolio statement (unaudited) continued

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
	<b>Sovereign : 3.04%</b> (31 December 2019 : 14.21%)		
	<b>Government : 3.04%</b> (31 December 2019 : 14.21%)		
10,000,000	United Kingdom Treasury Bill 0% 24/08/2020	9,999	3.04
		9,999	3.04
	<b>Total Sovereign</b>	<b>9,999</b>	<b>3.04</b>
	<b>Portfolio of investments</b>	302,304	91.84
	Net other liabilities	26,848	8.16
	<b>Total net assets</b>	<b>329,152</b>	<b>100.00</b>

All securities are approved securities unless otherwise stated.



## SUMMARY OF TOP TEN PURCHASES AND SALES (UNAUDITED)

for the period ended 30 June 2020

Security	Cost	Security	Proceeds
	£'000		£'000
<b>PURCHASES</b>		<b>SALES</b>	
National Grid	12,668	Royal Dutch Shell 'B'	14,391
Lancashire Holdings	11,051	Reckitt Benckiser Group	12,702
SSE	9,622	Direct Line Insurance Group	11,673
Reckitt Benckiser Group	9,490	Associated British Foods	9,736
HomeServe	8,665	Imperial Tobacco	9,667
QinetiQ	8,504	Lancashire Holdings	8,857
Whitbread	7,682	DCC	7,688
Travis Perkins	7,615	BP	7,476
Sage Group	7,451	Ibstock	7,225
Unilever	7,169	Barrick Gold	6,981



## Financial statements

### STATEMENT OF TOTAL RETURN

for the period ended 30 June 2020

	30 June 2020	30 June 2020	30 June 2019	30 June 2019
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(44,736)		32,821
Revenue	4,494		7,814	
Expenses	(1,872)		(1,776)	
Net revenue before taxation	2,622		6,038	
Taxation	(18)		(38)	
Net revenue after taxation		2,604		6,000
<b>Total return before distributions</b>		<b>(42,132)</b>		<b>38,821</b>
Distributions		(267)		34
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(42,399)</b>		<b>38,855</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period ended 30 June 2020

	30 June 2020	30 June 2020	30 June 2019	30 June 2019
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>421,556</b>		<b>449,015</b>
Amounts receivable on issue of shares	27,402		56,722	
Less: Amounts payable on cancellation of shares	(77,407)		(76,056)	
		(50,005)		(19,334)
Change in net assets attributable to shareholders from investment activities		(42,399)		38,855
Retained distributions on accumulation shares		-		-
<b>Closing net assets attributable to shareholders</b>		<b>329,152</b>		<b>468,536</b>

The above statement shows the comparative closing net assets at 30 June 2019 whereas the current accounting period commenced 1 January 2020.



## Financial statements continued

### BALANCE SHEET

as at 30 June 2020

	30 June 2020	30 June 2020	31 December 2019	31 December 2019
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
<b>Fixed assets:</b>				
Investments		302,304		390,863
<b>Current assets:</b>				
Debtors	2,344		1,523	
Cash and bank balances	26,056		35,058	
<b>Total current assets</b>		<b>28,400</b>		<b>36,581</b>
<b>Total assets</b>		<b>330,704</b>		<b>427,444</b>
<b>LIABILITIES</b>				
<b>Creditors:</b>				
Other creditors	(1,552)		(1,018)	
Distribution payable on income shares	-		(4,870)	
<b>Total liabilities</b>		<b>(1,552)</b>		<b>(5,888)</b>
<b>Net assets attributable to shareholders</b>		<b>329,152</b>		<b>421,556</b>





# JOHCM Global Opportunities Fund

A Sub-Fund of J O Hambro Capital Management UK Umbrella Fund

## INVESTMENT OBJECTIVE & POLICY

The Sub-Fund's investment objective is to achieve capital growth over a rolling seven to ten year period whilst generating income.

The Sub-Fund seeks to take advantage of specific opportunities in global equity markets by investing at least 80% of its capital directly or indirectly in a concentrated portfolio of shares of companies listed on stock exchanges around the globe. It is anticipated that the Sub-Fund's portfolio will comprise fewer than fifty holdings.

The ACD selects the shares to invest in through an analysis of a company's financial statements and an assessment of the cash flows that the company is likely to generate in the future; thereby selecting shares which are considered to offer the best opportunity for returns, taking into account the risk of the investment.

The Sub-Fund generally invests directly in shares but may invest indirectly via equity related instruments, such as equity linked notes and participation notes, in order to obtain a cost effective method of gaining access to some markets and to reduce settlement risk. The equity related

instruments will be securitised, freely transferable and the Sub-Fund will not be leveraged as a result of holding them.

The Sub-Fund may also hold up to 20% of its assets in cash or near cash (such as treasury bills, commercial paper or money market funds).

Derivatives may be used for efficient portfolio management purposes only (including hedging). Efficient portfolio management is managing the Sub-Fund in a way that is designed to reduce risk or cost and /or generate extra income for the Sub-Fund. It is not intended to increase the risk profile of the Sub-Fund. Shares in the Sub-Fund may be marketed to all retail investors.

The Sub-Fund does not have a target or constraining benchmark. However, the MSCI ACWI Standard Index may be used as a comparator benchmark as this is the broadest available index of liquid global shares.



**Ben Leyland, CFA**  
Senior Fund Manager

Ben joined JOHCM in April 2006 and has 18 years industry experience



## INVESTMENT MANAGEMENT REPORT

for the period ended 30 June 2020

### Performance

The JOHCM Global Opportunities Fund decreased by 1.06%, net of fees and in sterling terms for the six-month period to 30 June 2020. Over the same period, the MSCI AC World Index (12pm adjusted) increased by 0.13%.\*

### Investment background

A flat return for the global index belied a tumultuous six months. The Covid-19 global pandemic and resultant lockdowns of economies around the world prompted a rapid and brutal stock market sell-off in February and March that proved to be the quickest bear market (a 20% market fall from its peak) in history. As societies effectively closed down for weeks on end in a bid to halt the contagion, economies suffered unprecedented economic declines.

Amid concerns over rapidly escalating job losses and permanent scarring of the corporate sector, particularly those areas of the economy most hurt by the lockdowns such as travel and hospitality, governments responded with a historically unmatched level of fiscal stimulus and packages including furlough schemes to preserve jobs. Central banks dovetailed with governments' rescue efforts by providing a torrent of liquidity.

The global policy largesse caused stock markets to rebound quickly. The resurgent US equity market was in the vanguard, powered by technology stocks, many of which were deemed 'stay at home' winners and whose business models were largely unaffected by lockdown. From a style perspective, growth and momentum stocks continued to outperform value and cyclical names.

### Fund review

Having defended during the Covid-19 market sell-off, the Sub-Fund trailed significantly in the second half of the period in narrow growth and momentum-led markets to finish behind the index for the overall year to date.

Besides being very underweight the all-conquering information technology sector (up over 20% - our relative performance was hurt by not owning Apple and Amazon), we were hurt by owning cyclical companies in the 'eye of the storm' (e.g. Safran and Compass), regulated utilities, which performed poorly during the sell-off despite having relatively resilient earnings streams, such as Exelon, and holding a large cash balance in liquidity-fuelled markets that rallied hard from late March.

More positively, individual stock contributions of note included Tractor Supply Company, O'Reilly Automotive, Robert Half and Enel. ENEL has nearly regained its February highs as people have focused more on its renewable growth opportunities and less on its Italian listing.

We made a number changes to the portfolio, using the Q1 sell-off to add some new names at attractive valuations, bringing the cash balance down briefly to c. 6% in late March as we used some dry powder. Half and L3Harris are good examples. We also bought KDDI (as we have more confidence in the stability of the Japanese mobile market) and Sempra (after its balance sheet repair and cash flow upgrades).

We sold O'Reilly, Alphabet, Mastercard and Fastenal on valuation grounds.

Unlike other (mostly EU) names, their share prices did not reflect the potential for short- and long-term earnings disruption as a result of Covid-19 lockdowns. Similarly, we also sold Microsoft and Accenture on valuation grounds. Henkel was sold partly to manage the cyclical exposure of the Sub-Fund and partly because we had increasing concerns about the degree of underinvestment in recent years. Elsewhere, we sold St James's Place to reduce the overall beta of the portfolio, given the beta of names like Compass and Safran had suddenly risen significantly.

Our process is built on the premise that in the long run, overvaluation and overleverage are likely to lead to poor investment returns and prudent, disciplined investors should avoid them. For the time being, the collective response of governments and central banks to the Covid-19 crisis means that this premise is wrong. Imprudent behaviour on the part of companies and investors seems to carry no adverse consequences.

We continue to believe that overvaluation and overleverage matter and that by avoiding them and maintaining our discipline we will deliver superior risk-adjusted returns over the long term. But we recognise that for the time being we are swimming against the tide.

### Ben Leyland, CFA Senior Fund Manager

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.

\* Source: JOHCM/MSCI. Basis: Sub-Fund return, mid to mid with net income reinvested, in Sterling.



## Net asset value and distribution history

### PRICE AND INCOME HISTORY

Calendar year		Highest price	Lowest price	Net distribution per share
		pence	pence	pence
2019	GBP Class A Distributing	107.90	98.70	1.621360
	GBP Class A Accumulating	107.90	98.70	2.529939
	GBP Class A Accumulating Hedged	104.70	98.20	0.253530
	GBP Class X Distributing	106.80	98.50	1.452319
	GBP Class X Accumulating	104.50	98.90	0.977312
2020 ( to June)	GBP Class A Distributing	107.70	82.70	-
	GBP Class A Accumulating	107.90	84.00	-
	GBP Class A Accumulating Hedged	106.30	74.50	-
	GBP Class X Distributing	106.70	82.30	-
	GBP Class X Accumulating	104.70	81.40	-

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.



## Net asset value and distribution history continued

### NET ASSET VALUES

		Net asset value of Fund	Total shares in issue	Net asset value per share	Percentage change
		£			%
GBP Class A Distributing <sup>1</sup>	31 December 2019	591,982	570,582	103.59p	-
	30 June 2020	744,625	736,729	101.07p	(2.43)
GBP Class A Accumulating <sup>1</sup>	31 December 2019	1,221,327	1,178,896	103.60p	-
	30 June 2020	11,792,496	11,516,687	102.39p	(1.17)
GBP Class A Accumulating Hedged <sup>4</sup>	31 December 2019	3,647,819	3,507,594	104.00p	-
	30 June 2020	4,340,013	4,589,491	94.56p	(9.08)
GBP Class X Distributing <sup>2</sup>	31 December 2019	647,603	630,903	102.65p	-
	30 June 2020	1,112,265	1,107,735	100.41p	(2.18)
GBP Class X Accumulating <sup>3</sup>	31 December 2019	5,435,942	5,417,427	100.34p	-
	30 June 2020	13,166,471	13,249,620	99.37p	(0.97)

<sup>1</sup> Launched on 3 May 2019.

<sup>2</sup> Launched on 17 May 2019.

<sup>3</sup> Launched on 18 June 2019.

<sup>4</sup> Launched on 27 September 2019.

### DISTRIBUTIONS

JOHCM Global Opportunities Fund pays an annual distribution with ex date 31 December and pay date of 28 February.



## ONGOING CHARGE FIGURE

	Class A Distributing Shares <sup>1</sup>		Class A Accumulating Shares <sup>1</sup>		Class A Accumulating Hedged Shares <sup>4</sup>	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
Ongoing charge figure	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%
Performance fee	-	-	-	-	-	-
Total expense ratio	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%

	Class X Distributing Shares <sup>2</sup>		Class X Accumulating Shares <sup>3</sup>	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
Ongoing charge figure	0.75%	0.75%	0.75%	0.75%
Performance fee	-	-	-	-
Total expense ratio	0.75%	0.75%	0.75%	0.75%

<sup>1</sup> Launched on 3 May 2019.

<sup>2</sup> Launched on 17 May 2019.

<sup>3</sup> Launched on 18 June 2019.

<sup>4</sup> Launched on 27 September 2019.



## PERFORMANCE RECORD

In the period from 1 January 2020 to 30 June 2020 the price of the Class A shares in the Sub-Fund decreased by 1.06%. This compares with a rise of 0.13% in the MSCI AC World Index (adjusted for 12 noon) over the same period.

Source: JOHCM/MSCI. Basis: Sub-Fund return, mid to mid with net income reinvested, in Sterling.

Past performance is not necessarily a guide to future performance. The price of shares may go down as well as up and future income is not guaranteed.

## RISK AND REWARD PROFILE

### Applicable to all share classes in the Sub-Fund



The risk and reward indicator is calculated on the basis of the share class volatility (the ups and downs in its value) over the prior five year period.

The risk and reward indicator:

- is based on simulated historical performance data and may not be a reliable indication for the future;
- is not guaranteed and may change over time.
- As this share class has not been in existence for 5 years, simulated performance data has been used.
- The lowest category does not mean that a share class is risk free.

The share class category reflects the following factors:

- Higher volatility can result from investments in shares as their value may fluctuate more than other financial instruments, such as bonds.
- The Sub-Fund may invest in shares priced in currencies other than the currency of the share class. This may result in the value of the share class increasing or decreasing due to changes in foreign exchange rates.
- Your initial investment is not guaranteed.

In addition to the risk captured by the indicator, the Sub-Fund value may be affected by:

- Changes in exchange rates between currencies may cause the value of the investments to diminish or increase.
- Any change in the Company's tax status or in legislation could affect the value of investments held by the Company.
- Political and /or regulatory Risks.
- Emerging markets risk: 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. Investments in emerging markets funds should not constitute a substantial portion of an investor's portfolio.
- As the portfolio is concentrated, it may be more volatile than a diversified one.
- Investors should note that a more detailed description of risk factors is set out in full in the Prospectus.



## PORTFOLIO STATEMENT (UNAUDITED)

as at 30 June 2020

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
	<b>Energy : 2.85%</b>		
	(31 December 2019 : 5.82%)		
94,995	Galp Energia SGPS	893	2.85
	<b>Total Energy</b>	<b>893</b>	<b>2.85</b>
	<b>Materials : 2.41%</b>		
	(31 December 2019 : 2.86%)		
16,508	Rio Tinto	751	2.41
	<b>Total Materials</b>	<b>751</b>	<b>2.41</b>
	<b>Industrials : 16.68%</b>		
	(31 December 2019 : 17.17%)		
8,417	Ferguson	557	1.79
4,033	L3Harris Technologies	557	1.79
20,426	Raytheon Technologies Corp	1,026	3.29
2,121	Robert Half International	91	0.29
9,741	Safran	794	2.55
2,209	Schindler Holding AG	424	1.36
14,464	Thales SA	947	3.04
119,583	Wartsila OYJ Abp	800	2.57
	<b>Total Industrials</b>	<b>5,196</b>	<b>16.68</b>
	<b>Consumer Discretionary : 9.04%</b>		
	(31 December 2019 : 10.68%)		
48,618	Compass Group	541	1.74
8,301	Continental AG	662	2.13
34,401	Nokian Renkaat OYJ	613	1.97
11,997	TJX Cos	494	1.59
4,684	Tractor Supply	503	1.61
	<b>Total Consumer Discretionary</b>	<b>2,813</b>	<b>9.04</b>
	<b>Consumer Staples : 15.39%</b>		
	(31 December 2019 : 12.06%)		
441,479	ITC	930	2.99
26,787	Philip Morris International	1,529	4.91
29,688	Pola Orbis Holdings	420	1.35
17,316	Sugi Holdings	954	3.06
22,374	Unilever	966	3.10
	<b>Total Consumer Staples</b>	<b>4,799</b>	<b>15.41</b>



## Portfolio statement (unaudited) continued

Holding/nominal value	Investment	Market value	Percentage of total net assets
		£'000	%
<b>Health Care : 5.89%</b>			
(31 December 2019 : 6.15%)			
1,531	Roche Holding	431	1.38
16,962	Sanofi	1,405	4.51
<b>Total Health Care</b>		<b>1,836</b>	<b>5.89</b>
<b>Communication Services : 6.78%</b>			
(31 December 2019 : 3.45%)			
106,477	China Mobile	585	1.88
29,481	KDDI Corp	719	2.31
42,570	Nippon Telegraph & Telephone	808	2.59
<b>Total Communication Services</b>		<b>2,112</b>	<b>6.78</b>
<b>Utilities : 17.86%</b>			
(31 December 2019 : 10.17%)			
9,619	Atmos Energy Corp	780	2.51
228,735	Enel	1,605	5.15
40,558	Exelon	1,199	3.85
49,962	National Grid	494	1.58
16,068	Public Service Enterprise Group	644	2.07
8,821	Sempra Energy	842	2.70
<b>Total Utilities</b>		<b>5,564</b>	<b>17.86</b>
<b>Financials : 1.25%</b>			
(31 December 2019 : 3.57%)			
4,594	M&T Bank	389	1.25
<b>Total Financials</b>		<b>389</b>	<b>1.25</b>
<b>Information Technology : 5.34%</b>			
(31 December 2019 : 7.02%)			
36,900	Oracle	1,663	5.34
<b>Total Information Technology</b>		<b>1,663</b>	<b>5.34</b>



## Portfolio statement (unaudited) continued

### OTC financial derivative instruments

Maturity	Counterparty	Currency	Purchased		Sold		Fair Value	Percentage of total net assets
			£'000	Currency	£'000	£'000	%	
<b>Open forward foreign currency contracts (31 December 2019: 0.07%)</b>								
01 July 2020	Royal Bank of Canada	GBP	1	USD	(2)	-	-	-
02 July 2020	Royal Bank of Canada	GBP	1	USD	(1)	-	-	-
02 July 2020	Royal Bank of Canada	USD	-	GBP	-	-	-	-
31 July 2020	Royal Bank of Canada	GBP	4,366	USD	(5,380)	(18)	(0.06)	
<b>Total as at 30 June 2020</b>							<b>(18)</b>	<b>(0.06)</b>
<b>Portfolio of investments</b>							<b>25,998</b>	<b>83.45</b>
Net other assets							5,158	16.55
<b>Total net assets</b>							<b>31,156</b>	<b>100.00</b>

All securities are approved securities unless otherwise stated.



## SUMMARY OF TOP TEN PURCHASES AND SALES (UNAUDITED)

for the period ended 30 June 2020

Security	Cost	Security	Proceeds
	£'000		£'000
<b>PURCHASES</b>		<b>SALES</b>	
Compass Group	1,459	Tractor Supply	966
Philip Morris International	1,429	O'Reilly Automotive	838
Enel	1,302	Compass Group	711
Sanofi	1,290	Safran	660
Wartsila OYJ Abp	1,210	Enel	631
Galp Energia SGPS	1,186	Robert Half International	593
Raytheon	1,100	Henkel AG & Co KGaA	579
Compass Group	1,084	Fastenal	481
Rio Tinto	986	Raytheon Technologies Corp	450
Royal Dutch Shell 'B'	977	Ferguson	423



## Financial statements

### STATEMENT OF TOTAL RETURN

for the period ended 30 June 2020

	30 June 2020	30 June 2020	30 June 2019	30 June 2019
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(1,239)		9
Revenue	441		8	
Expenses	(147)		(2)	
Interest payable and similar charges	(1)		-	
Net revenue before taxation	293		6	
Taxation	(35)		(1)	
Net revenue after taxation		258		5
<b>Total return before distributions</b>		<b>(981)</b>		<b>14</b>
Distributions		60		-
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(921)</b>		<b>14</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period ended 30 June 2020

	30 June 2020	30 June 2020	30 June 2019	30 June 2019
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>11,544</b>		<b>-</b>
Amounts receivable on issue of shares	22,974		4,005	
Less: Amounts payable on cancellation of shares	(2,441)		(11)	
		20,533		3,994
Change in net assets attributable to shareholders from investment activities		(921)		14
<b>Closing net assets attributable to shareholders</b>		<b>31,156</b>		<b>4,008</b>

The above statement shows the comparative closing net assets at 30 June 2019 whereas the current accounting period commenced 1 January 2020.



## Financial statements continued

### BALANCE SHEET

as at 30 June 2020

	30 June 2020	30 June 2020	31 December 2019	31 December 2019
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
<b>Fixed assets:</b>				
Investments		25,998		9,122
<b>Current assets:</b>				
Debtors	118		3,402	
Cash and bank balances	5,099		1,459	
<b>Total current assets</b>		<b>5,217</b>		<b>4,861</b>
<b>Total assets</b>		<b>31,215</b>		<b>13,983</b>
<b>LIABILITIES</b>				
<b>Creditors:</b>				
Other creditors	(59)		(2,421)	
Distribution payable on income shares	-		(18)	
<b>Total liabilities</b>		<b>(59)</b>		<b>(2,439)</b>
<b>Net assets attributable to shareholders</b>		<b>31,156</b>		<b>11,544</b>

# Appendix I

## Securities Financing Transactions Regulation

### Stock lending

A Sub-Fund, or the Depositary at the Company's request, may enter into stock lending transactions (involving a disposal of securities in the Sub-Fund and reacquisition of equivalent securities) when it reasonably appears to the Sub-Fund or to the Company to be appropriate to do so with a view to generating additional income for the Sub-Fund with an acceptable degree of risk.

Such transactions must comply with conditions set out in the FCA Rules, which require (among other things) that:

- i) the stock lending transaction must be of a kind described in Section 263B of the Taxation of Chargeable Gains Act 1992;
- ii) the terms of the agreement under which the Depositary is to re-acquire the securities for the account of the Sub-Fund must be acceptable to the Depositary and in accordance with good market practice; and
- iii) the counterparty must be acceptable in accordance with the FCA Rules.

The collateral obtained must be acceptable to the Depositary and must also be adequately and sufficiently immediate as set down in the FCA Rules (Coll 5.4.4).

The ACD shall maintain a collateral management policy in accordance with applicable rules and regulations.

Sub-Fund	Currency	Collateral	% of net assets	Gross income	Securities Lending Agent revenue	Tax withheld	Direct and indirect costs and fees deducted from gross securities lending income
JOHCM UK Dynamic Fund	GBP	-	-	61,269	49,015	-	12,254
JOHCM UK Equity Income Fund	GBP	177,846,484	9.76%	121,628	97,302	-	24,326
<b>Total</b>		<b>177,846,484</b>		<b>182,897</b>			<b>36,580</b>

Top largest collateral counterparties	Rank	Value of collateral securities commodities received
		GBP
Natixis	1	68,907,104
Skandinaviska Enskilda Banken AB	2	40,529,396
Royal Bank of Canada	3	24,045,002
Goldman Sachs International	4	12,327,318
BNP Paribas Securities Services SC	5	10,708,338
The Bank of Nova Scotia	6	9,486,562
Deutsche Bank AG	7	3,228,978
Credit Suisse Ag Dublin Branch	8	2,927,103
Canadian Imperial Bank of Commerce	9	1,654,039
Nomura International PLC	10	948,494

## Appendix I Securities Financing Transactions Regulation (unaudited) continued

Top largest collateral issuers	Rank	Value of collateral securities commodities received GBP
Province of Ontario Canada	1	16,629,324
United Kingdom Gilt	2	14,805,419
AstraZeneca PLC	3	11,659,557
E*TRADE Financial Corp	4	6,799,432
French Republic Government Bond OAT	5	6,724,277
International Consolidated Airlines Group SA	6	6,455,038
British American Tobacco PLC	7	6,326,286
Barclays PLC	8	4,911,215
Prudential PLC	9	4,429,352
Vodafone Group PLC	10	3,713,165

Type of collateral	Value GBP	Proportion %
Equities and Equivalents	128,385,311	72%
Bonds	49,461,173	28%

Collateral maturity	Value GBP	Proportion %
1 day	-	-
less than 1 month	-	-
less than 1 week	-	-
less than 3 months	-	-
less than 1 year	405,407	-
more than 1 year	49,055,766	28%
no maturity	128,385,311	72%

## Appendix I Securities Financing Transactions Regulation (unaudited) continued

Currencies of collateral	Value	Proportion
	GBP	%
AUD	36	-
CAD	34,941,625	20%
CHF	953,564	1%
DKK	3,884	-
EUR	12,237,444	7%
GBP	83,773,812	47%
JPY	713,907	-
NOK	635,149	-
USD	44,587,063	25%

### Securities Lending Maturity

There is no maturity on the securities lending as all securities are equities.

Countries of counterparties	Value	Proportion
	GBP	%
Canada	35,185,603	20%
France	80,936,780	45%
Germany	3,329,490	2%
Ireland	2,927,103	2%
Sweden	40,529,396	23%
United Kingdom	14,938,112	8%

Settlement & clearing	Value	Proportion
	GBP	%
Tri-party	-	-
Central Counterparty	-	-
Bilateral	177,846,484	100%

## Appendix I Securities Financing Transactions Regulation (unaudited) continued

### Data on Reuse of Collateral

The collateral received for securities lending purpose is not reused.

### Safekeeping of Collateral Received

Custodians	Amount of collateral assets safe-kept
RBC Investor Services Bank S.A.	177,846,484

### Safekeeping of Collateral Granted

Collateral held in segregated accounts	Collateral held in pooled accounts	Collateral held in other accounts
%	%	%
100	-	-

## Further information

### Documentation

Copies of the current Prospectus and Key Investor Information Documents ('KIIDs'), together with the latest Annual and Interim Report and Accounts, are available on the website [www.johcm.com](http://www.johcm.com) or upon request from the ACD and are available for inspection at the registered office between 9.00am and 5.00pm each business day.

The Annual Report of the Company will be published on or before 31 March and the Interim Report on or before 31 August in each year.

### Correspondence

Please send correspondence to the Company's Administrator, RBC Investor Services Ireland Limited, 4th Floor, One George's Quay Plaza, George's Quay, Dublin 2, Ireland.

### Complaints and compensation

Complaints about the operation of the Company and the Sub-Funds may be made by the investor by writing to the ACD or the Depositary. Any complaint will be investigated and the outcome will be notified to the investor, within eight weeks. If the investor is not satisfied with the outcome, he may also write directly to the Financial Ombudsman Service, Exchange Tower, London E14 9SR. If the ACD cannot meet its financial obligations to the investor, the investor may be entitled to compensation under the Investor's Compensation Scheme, under the Financial Services Markets Act 2000. Details of the investor's rights to compensation can be obtained from the ACD on request.

### Market Indices

The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, J O Hambro Capital Management Limited. The data is for internal use only and may not be reproduced or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (collectively, the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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### Net asset reconciliation

Financial assets at fair value through profit or loss for financial reporting purposes have been valued based on the latest bid prices. The difference between the valuation methodology of the Condensed Interim Financial Statements, as required by FRS 102, and the policy in the Prospectus, results in there being differences which are detailed in the table below.

	30 June 2020	31 December 2019
	£'000	£'000
<b>JOHCM UK Dynamic Fund</b>		
<b>Net Assets Attributable to Shareholders</b>		
Valuation in accordance with Prospectus	1,401,553	1,880,259
Adjustment to the value at latest bid price	(8,744)	(5,137)
Adjustment for late trades post cut off	(1)	(18)
Adjustment for late subscription and redemption	(296)	-
<b>Net Asset Value in accordance with FRS 102</b>	<b>1,392,512</b>	<b>1,875,104</b>
<b>JOHCM UK Equity Income Fund</b>		
<b>Net Assets Attributable to Shareholders</b>		
Valuation in accordance with Prospectus	1,833,687	3,271,569
Adjustment to the value at latest bid price	(11,078)	(8,649)
Adjustment for late trades post cut off	5	(11)
<b>Net Asset Value in accordance with FRS 102</b>	<b>1,822,614</b>	<b>3,262,909</b>
<b>JOHCM UK Opportunity Fund</b>		
<b>Net Assets Attributable to Shareholders</b>		
Valuation in accordance with Prospectus	330,084	421,428
Adjustment to the value at latest bid price	(828)	128
Adjustment for late trades post cut off	(2)	-
Adjustment for late subscription and redemption	(102)	-
<b>Net Asset Value in accordance with FRS 102</b>	<b>329,152</b>	<b>421,556</b>
<b>JOHCM Global Opportunities Fund</b>		
<b>Net Assets Attributable to Shareholders</b>		
Valuation in accordance with Prospectus	31,238	11,576
Adjustment to the value at latest bid price	(84)	(14)
Adjustment for late subscription and redemption	2	-
Adjustment for distribution adjustment	-	(18)
<b>Net Asset Value in accordance with FRS 102</b>	<b>31,156</b>	<b>11,544</b>

## Board of Directors

Alexandra Altinger (Chair)  
 Jane Leach\*  
 Máire O'Connor\*  
 Stephen Donald Lynn  
 Margaret Helen Vaughan  
 Emilio Gonzalez - *resigned 5 February 2020*

\*Independent Non-Executive Director

## Company and Registered Office

JOHCM Funds (UK) Limited  
 Level 3  
 1 St James's Market  
 London SW1Y 4AH

## Facilities agent in Ireland

RBC Investor Services Ireland Limited  
 4th Floor  
 One George's Quay Plaza  
 George's Quay  
 Dublin 2, Ireland

## Investment Manager

J O Hambro Capital Management Limited  
 Level 3  
 1 St James's Market  
 London SW1Y 4AH

## Authorised Corporate Director

JOHCM Funds (UK) Limited  
 Level 3  
 1 St James's Market  
 London SW1Y 4AH

## Representative and paying agent in Switzerland

RBC Investor Services Bank  
 S.A., Esch-sur-Alzette, Zürich Branch  
 Bleicherweg 7  
 CH-8027 Zurich  
 Switzerland

## Depository

Northern Trust Global Services SE,  
 London Branch, 50 Bank Street,  
 Canary Wharf, London E14 5NT

*(Authorised by the Prudential Regulation Authority and regulated by the PRA and the FCA)*

## Communications

(FAO OEIC Dealing)  
 J O Hambro Capital Management Limited  
 Level 3  
 1 St James's Market  
 London SW1Y 4AH

## Paying and information agent in Germany

German Fund Information Service UG  
 Zum Eichhagen 4  
 21382 Brietlingen Germany

## Administrator, Registrar and Transfer Agent

RBC Investor Services Ireland Limited  
 4th Floor  
 One George's Quay Plaza  
 George's Quay  
 Dublin 2, Ireland

## Dealing telephone number

0845 450 1970

## Retail enquiries

020 7747 5648

## Representative and paying agent in Austria

Erste Bank der Osterreichischen  
 Sparkassen AG Garben 21  
 A-1010 Vienna  
 Austria

## Auditor

Ernst & Young LLP  
 Atria One  
 144 Morrison Street  
 Edinburgh EH3 8EX

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