

PERFORMANCE COMMENTARY

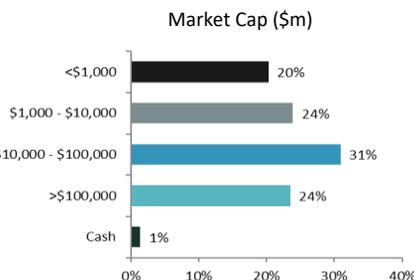
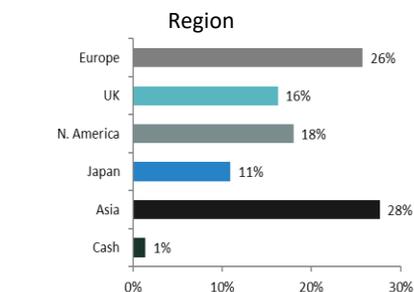
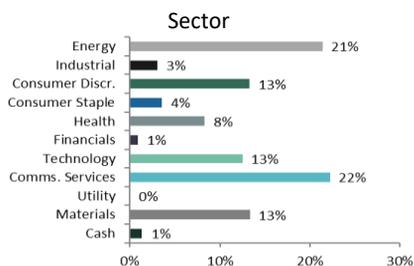
The Fund rose, up 1.4%, in a month where significant headwinds pushed down most parts of the market. In the past decade, the market has focused on growth and especially the US, to the point that the US now represents almost 70% of world indices (as measured by MSCI). With this reliance on the US (which is over-owned and facing significant monetary problems), we are concerned that it will not be easy for many to make good returns across global markets.

Fortunately, there are areas that the narrow-sighted market is overlooking. In the Fund, two examples stood out this month. Energy companies are especially depressed relative to their earning potential and represented the top three performing stocks this month. For now, society remains reliant on fossil fuels to power the economy and heat homes. Yet our energy stocks trade at c.15% FCF yields at c.\$70 oil. With geopolitical risks and the likely underinvestment in global supply, we feel that oil is more likely to trade above \$80 than below \$70, rendering our stocks exceptional value.

Another area overlooked and undervalued is Asia, a dynamic region that produces so many of the products that the world consumes. China Mobile was a significant contributor to Fund performance over the month. Without question a part of the Chinese establishment, the company remains one of the best franchises on the planet, but trades inexpensively: a prodigious generator of cash, with a free cash flow yield over 10% and yielding 6.5%.

Holding the Fund back this month was Sky NZ, settling after an especially strong move last month. Also weak was Newcrest, on temporarily slowing production at one of its major mines. With some of the longest-life gold mines in the world, it remains an attractive stock in a world of financial distortions.

FUND POSITIONING



TOP 10 HOLDINGS

TOP 10 HOLDINGS	% FUND
NEWMONT CORP	6.3%
SHELL	6.3%
EQUINOR	5.6%
BP	5.2%
EXXON	4.4%
SINGAPORE TELECOM	4.3%
CHINA MOBILE	4.2%
YAMANA GOLD	3.8%
SWISSCOM	3.7%
WESTERN UNION	3.6%
<b>Total Top Ten</b>	<b>47.2%</b>
<b>18 other holdings</b>	<b>51.4%</b>
Cash	1.4%
<b>Total</b>	<b>100.0%</b>

PERFORMANCE (net of fees)\*

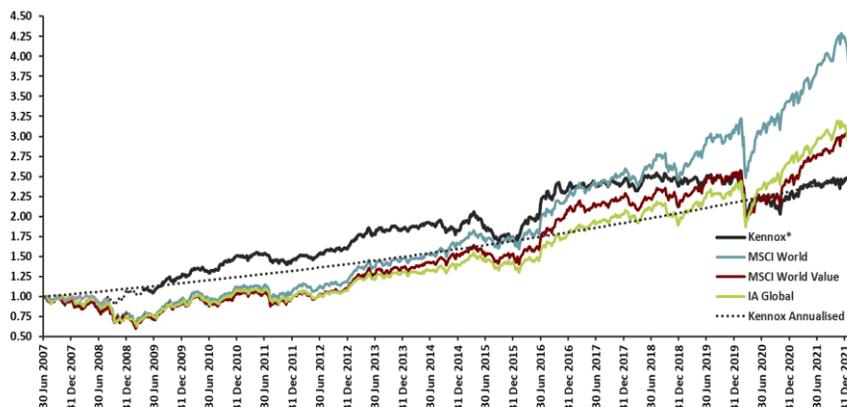
Inception (9/7/2007)	147%
UK Launch (30/4/2009)	128%
5 Years	4.6%
4 Years	1.5%
3 Years	1.8%
2 Years	1.6%
1 Year	11%
YTD	1.4%
3 Month	2.5%
1 Month	1.4%
Annualised:	
Inception	6.4%
UK Launch	6.7%

INVESTMENT TEAM

Charles L. Heenan CFA & Geoff Legg

Charles and Geoff have worked together as an investment team since the inception of the portfolio in July 2007. Both focus exclusively on the management of the Fund.

RELATIVE PERFORMANCE



We focus on long-term, absolute performance, not on short-term relative returns.

We do not track, nor are we constrained by, a benchmark.

Reference to the MSCI World, MSCI World Value and IA Global indices are for comparative purposes only.‡

We would expect that Fund weightings (geographic, sector and market cap) may vary considerably from those of the MSCI and IA indices.

SINCE INCEPTION	Annualised Return	Sharpe ratio Annualised <sup>+</sup>	Best Month	Worst Month	Volatility <sup>++</sup>
<b>Kennox (net of fees)*</b>	<b>6.4%</b>	<b>0.5</b>	<b>13.8%</b>	<b>-9.2%</b>	<b>11.4%</b>
MSCI World Value	7.9%	0.4	11.5%	-14.2%	16.4%
MSCI World	10%	0.6	9.4%	-10.7%	15.8%
IA Global Sector	7.6%	0.4	9.8%	-12.6%	14.4%

ANNUAL DISCRETE	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007 (9/7/07)
<b>Kennox* (net of fees)</b>	<b>10.1%</b>	<b>-11.1%</b>	<b>4.8%</b>	<b>-2.2%</b>	<b>2.5%</b>	<b>35.8%</b>	<b>-4.0%</b>	<b>-1.1%</b>	<b>15.5%</b>	<b>10.0%</b>	<b>-4.0%</b>	<b>21.1%</b>	<b>16.0%</b>	<b>9.8%</b>	<b>-2.1%</b>
MSCI World Value	23.9%	-3.2%	18.0%	-4.6%	7.7%	35.1%	1.4%	11.0%	25.0%	11.2%	-4.4%	13.7%	15.3%	-18.2%	-4.3%
MSCI World	23.4%	13.2%	23.4%	-2.6%	12.3%	29.1%	5.4%	12.2%	24.9%	11.3%	-4.5%	16.4%	18.1%	-18.8%	-0.4%
IA Global Sector	17.6%	14.8%	22.0%	-5.7%	13.9%	23.9%	2.9%	7.0%	21.8%	9.7%	-9.3%	15.8%	23.0%	-24.3%	-0.1%

**Track Record Description & Methodology**

\* The indices are not targets for the Company, nor is the Company constrained by the indices. The ACD has selected the MSCI World Value Index, the MSCI World Index and the IA Global sector as comparators against which shareholders may compare the performance of the Company as it believes these best reflect the Company’s asset allocation. For more information please see the Fund’s prospectus (available online and upon request).

\*\* The portfolio was launched in July 2007 (“Inception”) in Australia as the Contrarian Global Value Fund. The Kennox investment team ran that fund from launch until September 2008. The Kennox Strategic Value Fund was launched in April 2009, comprising 19 of the 20 positions that existed in the Australia fund. We have assumed a static portfolio for the interim period. Performance shown reflects total return of the Institutional Share class. Performance figures are generated from the accumulation shares since their launch on 29 April 2013. Prior to that performance figures are taken from an alternative share class, adjusted to reflect a 1.0% management fee throughout.

+ Sharpe Ratio is calculated as annualised return divided by the standard deviation of the excess return over the Libor 3m Bond yield.

++ Volatility is calculated as the standard deviation of the natural log returns multiplied by the square root of the periodicity of the returns.

Performance figures shown are total return with data for Kennox and the MSCI provided by Kennox/Bloomberg and IA Global data provided by Morningstar



3 SHARE CLASSES (Income & accumulation)	Investment Management Fee	Minimum Initial Investment	GBP (pence)	OCF	Sedol	ISIN
Class P Income	1.3%	£20,000	117.4	1.53%	B2R8FY9	GB00B2R8FY91
Class P Accumulation	1.3%	£20,000	140.9	1.53%	B9DH0K0	GB00B9DH0K00
Class I Income	1.0%	£2m	118.6	1.23%	B3YDJ20	GB00B3YDJ200
Class I Accumulation	1.0%	£2m	146.3	1.23%	B8Y8GR4	GB00B8Y8GR43
Class A Income	0.80%	£20m	118.7	1.03%	B9D9Z90	GB00B9D9Z904
Class A Accumulation	0.80%	£20m	149.1	1.03%	B9B3CY8	GB00B9B3CY80

FUND DETAILS

Fund Managers	Charles L. Heenan, Geoff Legg
Investment Universe	Listed securities on any globally recognised stock exchange, bonds and cash
Target Asset Allocation	80-100% equities; 0-20% cash
Fund Status	UK OEIC; UCITS
IA Sector	Global Equity
Inception Date	July 2007; UK Fund launched in April 2009
Fund Size	£46 Million
Total Strategy AUM	£162 Million (Fund; Segregated mandates)
ISable Fund	Yes
Pricing	Daily at 1200
Dilution Adjustment	A dilution adjustment may apply on orders greater than 5% of AUM

TO DEAL IN THE FUND

All dealing is through our Transfer Agency:  
 Smith & Williamson Fund Administration Ltd  
 Tel: 0141 222 1150  
 Fax: 0207 131 8261  
[SWFAdealing@smithandwilliamson.com](mailto:SWFAdealing@smithandwilliamson.com)  
 206 St Vincent Street, Glasgow G2 5SG

Application forms, the Fund prospectus and KIIDs are available on our website:  
[www.kennox.co.uk/investing-in-the-fund/](http://www.kennox.co.uk/investing-in-the-fund/)

Performance Tracking

Income Share	Income distributed semi-annually
Ex-Dividend Dates	Y/E: 1 October Interim: 1 April
Distribution Payment Dates	Y/E: 30 November Interim: 31 May
Dividend Yield (net of fees)	Class A: 2.7% Class P: 2.2% Class I: 2.5%
Registrar	Smith & Williamson Fund Administration Limited
Depository	NatWest Depository Services Limited
Custodian	Bank of New York Mellon
Auditor	Johnston Carmichael

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