

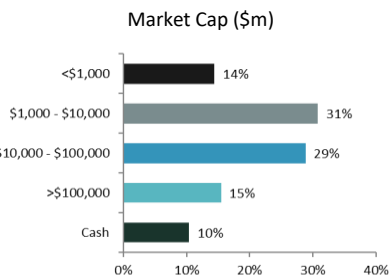
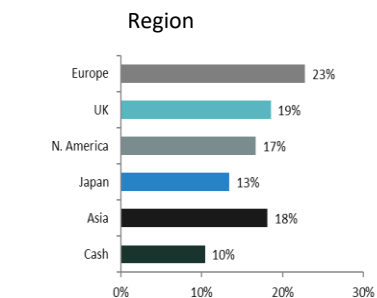
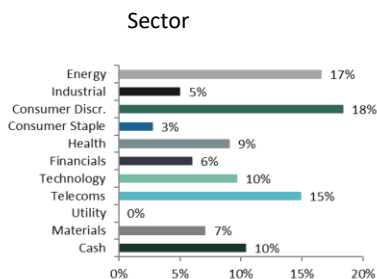
PERFORMANCE COMMENTARY

The Fund was up 0.4% over the month. For reference, the MSCI rose 2.9%, with the technology sector putting in an especially strong showing.

Leading the gainers in the Fund were three very different stocks: BP, Munich Re and Canon Marketing Japan (CMJ). BP continues its recent strength. As mentioned last month, the case for the energy majors is attractive due to their ability to cut costs and generate substantial cashflows, and is not solely dependent on the oil price (our recent Thinking Aloud paper “Energy and Global Demand”, available on our website, sets out a more detailed rationale). Munich Re’s share price rose as clarity increased around its obligations following the recent US hurricanes, and on hopes that pricing will be firmer in the future. As well, there are rumours that Munich Re might shed some non-core operations in its difficult home market. CMJ’s shares continue to rise (it is the best performing stock in the Fund year to date) as the market hunts out persuasive narratives in the domestic economy in Japan. CMJ fits this bill on the back of robust operational performance across all its divisions. The share price is up over 40% in yen terms in 2017, and we have trimmed approximately 40% of our holding this year.

Sky NZ was weak over concerns about its profits and dividend. We are comfortable that the market is overlooking Sky’s strengths, as it has a unique franchise in its market, producing robust cash flows. The retailers Gap and Next gave back some of the strong performance from the previous month. Both the retailers and Sky may well continue to see volatility as they work through their headwinds. However, we feel all are especially well positioned for the longer term.

FUND POSITIONING



TOP 10 HOLDINGS

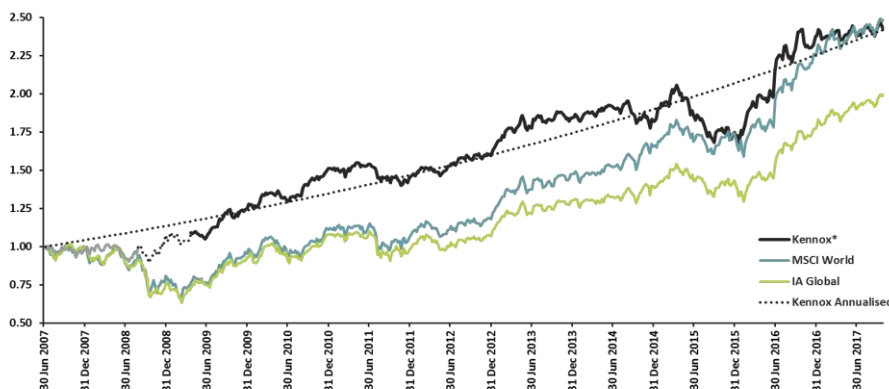
TOP 10 HOLDINGS	% FUND	PERFORMANCE (net of fees)*
NEWMONT MINING	5.9%	Inception (9/7/2007) 141.9%
NEOPOST	5.1%	UK Launch (30/4/2009) 123.0%
TEXWINCA	5.0%	5 Years 51.3%
BP	4.4%	4 Years 28.9%
ROYAL DUTCH SHELL	4.3%	3 Years 31.1%
STATOIL	4.1%	2 Years 37.4%
MUNICH REINSURANCE	3.9%	1 Year 0.0%
EXXON	3.8%	YTD 1.9%
M1	3.7%	3 Month 1.0%
WESTERN UNION	3.7%	1 Month 0.4%
Total Top Ten	43.8%	
21 other holdings	45.8%	Annualised: 8.9%
Cash	10.4%	Inception 9.9%
Total	100.0%	

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. They are fully aligned with investors, each having 100% of his investment in equities in the Fund.

RELATIVE PERFORMANCE



SINCE INCEPTION	Annualised Return	Sharpe ratio Annualised ⁺	Best Month	Worst Month	Volatility ⁺
Kennox (net of fees)*	8.9%	0.7	13.8%	-6.5%	10.9%
MSCI World	9.2%	0.5	9.0%	-10.7%	16.0%
IA Global Sector	6.9%	0.4	9.0%	-12.6%	14.6%

ANNUAL DISCRETE	YTD 2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007 (9/7/07)
Kennox* (net of fees)	1.9%	35.8%	-4.0%	-1.1%	15.5%	10.0%	-4.0%	21.1%	16.0%	9.8%	-2.1%
MSCI World	10.5%	29.1%	5.4%	12.2%	24.9%	11.3%	-4.5%	16.4%	18.1%	18.8%	-0.4%
IA Global Sector	12.4%	23.9%	2.8%	7.0%	21.7%	9.6%	-9.4%	15.8%	23.0%	24.3%	-0.1%

Track Record Description & Methodology

* 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.

3 SHARE CLASSES (Income & accumulation)	Investment Management Fee	Minimum Initial Investment	GBP (pence)	OCF	Sedol	ISIN
Professional Income	1.3%	£20,000	126.9	1.46%	B2R8FY9	GB00B2R8FY91
Professional Accumulation	1.3%	£20,000	139.5	1.46%	B9DH0K0	GB00B9DH0K00
Institutional Income	1.0%	£2m	128.2	1.16%	B3YDJ20	GB00B3YDJ200
Institutional Accumulation	1.0%	£2m	143.0	1.16%	B8Y8GR4	GB00B8Y8GR43
Class A Income	0.80%	£20m	128.3	0.96%	B9D9Z90	GB00B9D9Z904
Class A Accumulation	0.80%	£20m	144.2	0.96%	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
Benchmark	The Fund is not benchmarked
Inception Date	July 2007; UK Fund launched in April 2009
Fund Size	£217 Million
ISable Fund	Yes
Pricing	Daily at 1200
Dilution Adjustment	A dilution adjustment may apply on orders greater than 5% of AUM
Performance Tracking	www.kennox.co.uk/performance
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)	Professional: 2.3% Institutional: 2.6% Class A: 2.8%
Registrar	Smith & Williamson Fund Administration Limited
Depository	National Westminster Bank Plc;
Custodian	Bank of New York Mellon
Auditor	KPMG

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
SWFAd dealing@smith.williamson.co.uk
206 St Vincent Street, Glasgow G2 5SG

Application forms, the Fund prospectus and KIIDs are available on our website:
www.kennox.co.uk/investing-fund

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The Kennox Strategic Value Fund ("Fund") should be considered a long-term investment. You should be aware that the Fund is permitted to invest in markets which are not as well developed or regulated as the UK. As such, investments in those markets may be less liquid, and may have less reliable custody arrangements. Therefore, they may be prone to above average volatility and carry more risk. Where investments are made in smaller companies, these companies' shares may be less liquid than larger companies and the price swings may therefore be greater. You should remember that the value of investments and the income derived therefrom may fall as well as rise and you may not get back the amount that you invest. Past performance is not a guide to future returns.

The Fund is denominated in £ sterling. You should be aware that if sterling appreciates or depreciates against the currencies in which investments are made, this could have an effect on the value of your investment. An investment in the Fund carries a degree of risk and retail investors should seek professional advice before investing in the Fund. Kennox has not taken any steps to ensure that the securities referred to in this document are suitable for any particular investor and no assurance can be given that the stated investment objectives will be achieved.