

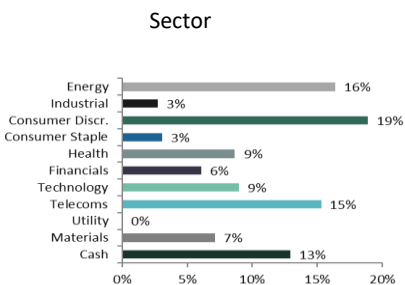
PERFORMANCE COMMENTARY

Markets were off over the month, with the exception of the US and Japan, leaving the global market flat in November (MSCI 0.4%; IA Global 0%). The Fund was down slightly, 0.6%.

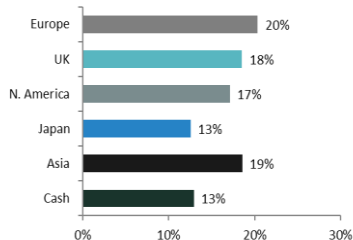
The newest stock in the portfolio, Welling Holdings (small engines manufacturer), rose 22% as the market reacted to an offer by the parent company (Midea) to privatise the business. Coupled with gains in October, the shares are c. 50% above our buy price in late September. We did not buy Welling expecting a bid, but we can certainly understand Midea’s reasoning. If anything, the offer still undervalues the business: Welling is a high quality business, with a dominant market position and undemanding valuations (even after the recent share price rise, it traded at less than 12x our view of sustainable earnings).

Gap (bought in February 2017; 2.6% position) was also up over 22% on recent trading updates: its largest brand continues to perform, an encouraging pre-Christmas sales period, and stronger than expected physical store trade. It is wonderfully cash generative (with a near 10% free cash flow yield) with strong prospects. On the other side, Next was down 9% in November and Neopost was also weak (down 11%). Neopost’s margins have stabilised as it continues its turnaround, transitioning to an IT and logistics adviser for hundreds of thousands of SME clients. We are happy with progress to date. The shares trade at less than 8x our view of their sustainable earnings, with a 15% free cash flow yield and a 6% yield. Neopost is a 4.4% position.

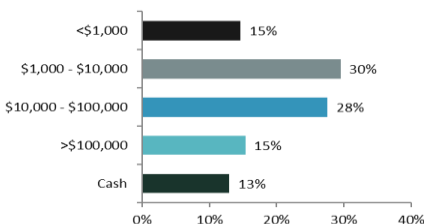
FUND POSITIONING



Region



Market Cap (\$m)



TOP 10 HOLDINGS

TOP 10 HOLDINGS	% FUND
NEWMONT MINING	5.9%
TEXWINCA	4.6%
NEOPOST	4.4%
ROYAL DUTCH SHELL	4.4%
BP	4.3%
STATOIL	4.0%
MUNICH REINSURANCE	4.0%
EXXON	3.7%
M1	3.7%
WESTERN UNION	3.6%
Total Top Ten	42.5%
20 other holdings	44.6%
Cash	12.9%
Total	100.0%

PERFORMANCE (net of fees)*

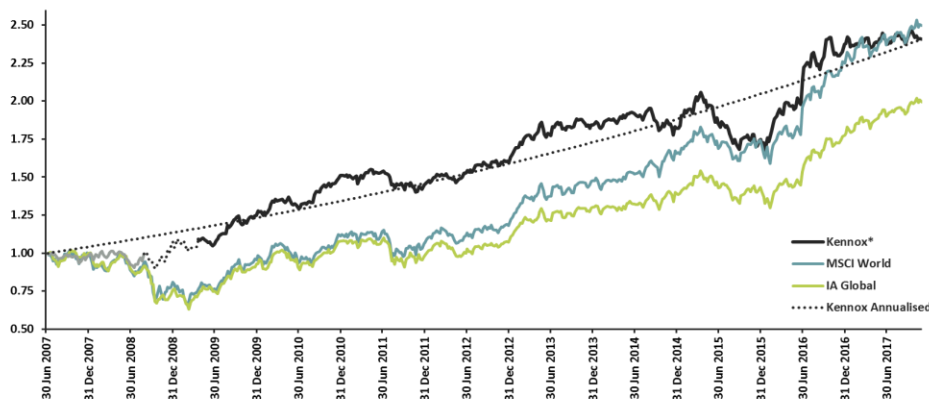
Inception (9/7/2007)	140.6%
UK Launch (30/4/2009)	121.8%
5 Years	50.7%
4 Years	30.1%
3 Years	30.5%
2 Years	35.2%
1 Year	4.7%
YTD	1.4%
3 Month	-0.8%
1 Month	-0.6%
Annualised:	
Inception	8.8%
UK Launch	9.7%

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. 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)*	8.8%	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)	1.4%	35.8%	-4.0%	-1.1%	15.5%	10.0%	-4.0%	21.1%	16.0%	9.8%	-2.1%
MSCI World	11%	29.1%	5.4%	12.2%	24.9%	11.3%	-4.5%	16.4%	18.1%	18.8%	-0.4%
IA Global Sector	12%	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	126.1	1.46%	B2R8FY9	GB00B2R8FY91
Professional Accumulation	1.3%	£20,000	138.6	1.46%	B9DH0K0	GB00B9DH0K00
Institutional Income	1.0%	£2m	127.5	1.16%	B3YDJ20	GB00B3YDJ200
Institutional Accumulation	1.0%	£2m	142.2	1.16%	B8Y8GR4	GB00B8Y8GR43
Class A Income	0.80%	£20m	127.5	0.96%	B9D9Z90	GB00B9D9Z904
Class A Accumulation	0.80%	£20m	143.3	0.96%	B9B3CY8	GB00B9B3CY80

FUND DETAILS

TO DEAL IN THE FUND

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	£215 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: 2.2% Institutional: 2.5% Class A: 2.7%
Registrar	Smith & Williamson Fund Administration Limited
Depository	National Westminster Bank Plc;
Custodian	Bank of New York Mellon
Auditor	KPMG

All dealing is through our Transfer Agency:
 Smith & Williamson Fund Administration Ltd
 Tel: 0141 222 1150
 Fax: 0207 131 8261
SWFAdealing@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

TO CONTACT KENNOX

Kennox Asset Management
 28 Drumsheugh Gardens
 Edinburgh, EH3 7RN

+44 (0)131 563 5440
enquiries@kennox.co.uk
www.kennox.co.uk

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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.