

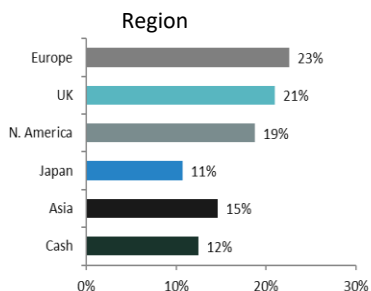
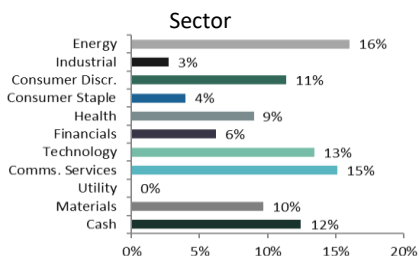
PERFORMANCE COMMENTARY

The Fund rose 1.8% in December. The top contributor was the largest holding in our portfolio, Newmont Goldcorp. The share price rose 11% in sterling terms, continuing a 6-month streak of strong performance as Newmont Goldcorp published an upbeat outlook for 2020 and beyond. Newmont Goldcorp is currently on 16x our view of Sustainable Earnings (SE) and, owning the industry’s largest pool of high quality assets in safe jurisdictions, we are confident it remains a sound investment. Whilst we did slightly trim our position in December, it remains the largest holding at 7.9%.

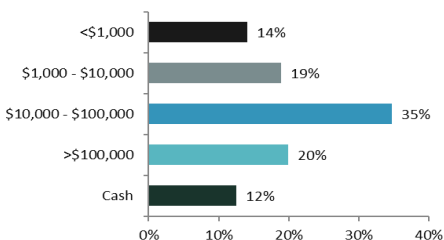
Quadiant and Tesco were also strong during the period with their share prices up 12% and 11% respectively. Quadiant’s turnaround is starting to pay-off with good results published at the end of November leading to an improved full year outlook as the digital communications, logistics and mail solutions company is refocusing on the most profitable and promising areas of the business. It trades at just 8x SE and is a 4.8% position. Tesco’s share price was buoyed by a recent bid for its Asian business, with the core UK business continues to deliver solid results. It is now on 17x SE and a 4.0% position.

Having been the best performing stock in the portfolio in the previous month, Texwinca’s share price retreated in December (down 12%). As mentioned last month, results released in November demonstrate that the core fabric business remains resilient despite negative market sentiment surrounding US-China trade war concerns. We continue to believe that this stock is oversold and that today’s prices offer an exceptional opportunity. Cash flows remain robust and cover the double-digit dividend yield. It is currently on 6x SE and is a 3.0% position.

FUND POSITIONING



Market Cap (\$m)



TOP 10 HOLDINGS

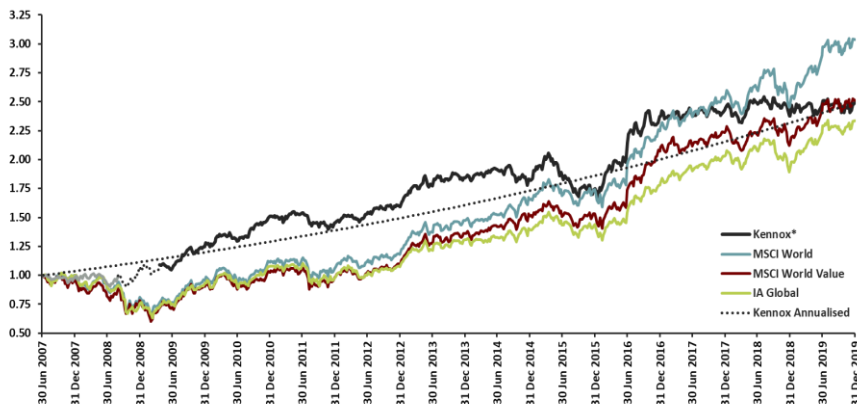
TOP 10 HOLDINGS	% FUND	PERFORMANCE (net of fees)*
NEWMONT GOLDCORP	7.9%	Inception (9/7/2007) 149%
WESTERN UNION	4.8%	UK Launch (30/4/2009) 130%
QUADIANT	4.8%	
EQUINOR	4.6%	5 Years 37%
CHINA MOBILE	4.6%	4 Years 43%
BP	4.3%	3 Years 5.1%
ROYAL DUTCH SHELL	4.3%	2 Years 2.5%
MUNICH REINSURANCE	4.0%	1 Year 4.8%
TESCO	4.0%	YTD 4.8%
GLAXOSMITHKLINE	3.9%	3 Month -0.4%
Total Top Ten	47.2%	1 Month 1.8%
18 other holdings	40.3%	Annualised:
Cash	12.5%	Inception 7.6%
Total	100.0%	UK Launch 8.1%

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 their investment in equities in 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 ⁺	Best Month	Worst Month	Volatility ⁺⁺
Kennox (net of fees)*	7.6%	0.6	13.8%	-6.5%	11.0%
MSCI World Value	7.7%	0.4	10.2%	-11.5%	16.5%
MSCI World	9.3%	0.5	9.0%	-10.7%	16.1%
IA Global Sector	7.0%	0.4	9.0%	-12.6%	14.7%

ANNUAL DISCRETE	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007 (9/7/07)
Kennox* (net of fees)	-2.2%	2.5%	35.8%	-4.0%	-1.1%	15.5%	10.0%	-4.0%	21.1%	16.0%	9.8%	-2.1%
MSCI World Value	-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	-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	-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.

3 SHARE CLASSES (Income & accumulation)	Investment Management Fee	Minimum Initial Investment	GBP (pence)	OCF	Sedol	ISIN
Professional Income	1.3%	£20,000	124.1	1.45%	B2R8FY9	GB00B2R8FY91
Professional Accumulation	1.3%	£20,000	142.8	1.45%	B9DH0K0	GB00B9DH0K00
Institutional Income	1.0%	£2m	125.4	1.15%	B3YDJ20	GB00B3YDJ200
Institutional Accumulation	1.0%	£2m	147.4	1.15%	B8Y8GR4	GB00B8Y8GR43
Class A Income	0.80%	£20m	125.5	0.95%	B9D9Z90	GB00B9D9Z904
Class A Accumulation	0.80%	£20m	149.2	0.95%	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	£194 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: 2.4% Institutional: 2.7% Class A: 2.9%
Registrar	Smith & Williamson Fund Administration Limited
Depository	NatWest Depository Services Limited
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
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/

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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.