



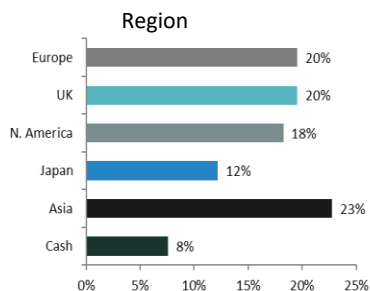
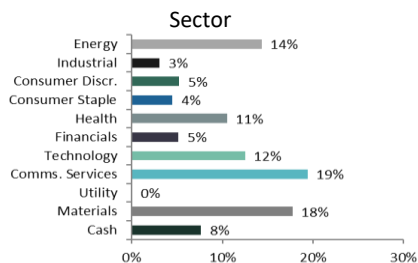
PERFORMANCE COMMENTARY

The upward trend in global stock markets, that began in mid-March, continued through May with the notable exception of the Hong Kong index. As a result, gains made in other regions were offset by HK exposure resulting in flat Fund performance over the month.

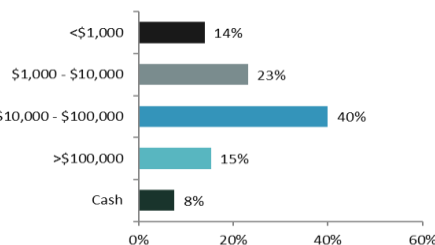
Our gold miners were the largest positive contributors to performance, as was also the case in April. Despite the rally in global stocks over the last two months, the fact our gold exposure has performed so strongly suggests there remains a great deal of uncertainty over the investment landscape. The other significant contributor to performance was Western Union. Its first quarter results saw profits increase, despite global lockdowns being implemented. Covid-19 may affect operations but there remains a strong desire to send money and the shift to its digital platforms has accelerated. The company has a strong balance sheet and its Sustainable Earnings valuation is on a conservative 11x.

Impacts from Covid-19, further escalation in tensions between China and the US, plus protests within Hong Kong itself all worked to weigh on sentiment in that region. Texwinca (fabric producer) was the largest negative contributor to performance. To give an idea of how attractive the valuations have become, Texwinca trades on 0.3x book value, which we estimate to be a conservative estimate of break-up value. Valuations are also very attractive for China Mobile, which was affected by selling despite its operations being almost unaffected. China Mobile has one of the best franchises in China in our opinion, with no debt, generating abundant cash flow, trading at a yield of 6% and is on 9x Sustainable Earnings.

FUND POSITIONING



Market Cap (\$m)



TOP 10 HOLDINGS

TOP 10 HOLDINGS	% FUND
NEWMONT CORP	8.4%
NEWCREST MINING	5.5%
CHINA MOBILE	5.1%
EQUINOR	4.5%
TESCO	4.5%
WESTERN UNION	4.4%
FUKUDA DENSHI	4.4%
GLAXOSMITHKLINE	4.4%
SWISSCOM	4.3%
ROYAL DUTCH SHELL	4.3%
<b>Total Top Ten</b>	<b>49.7%</b>
17 other holdings	42.7%
Cash	7.6%
<b>Total</b>	<b>100.0%</b>

PERFORMANCE (net of fees)\*

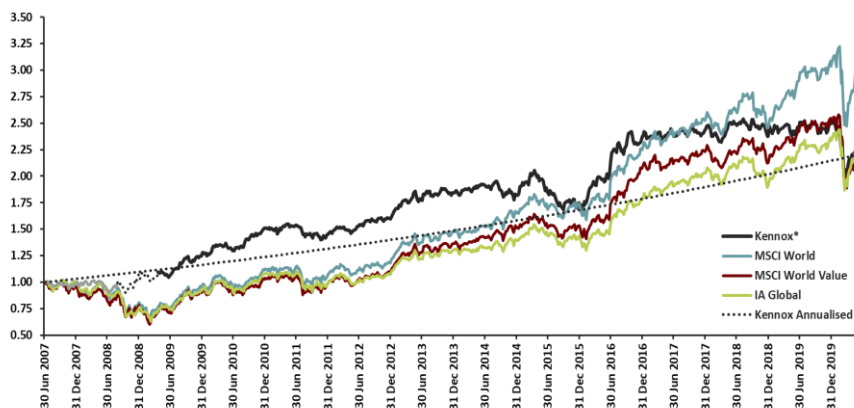
Inception (9/7/2007)	120%
UK Launch (30/4/2009)	103%
5 Years	12%
4 Years	12%
3 Years	-8.7%
2 Years	-12%
1 Year	-8.1%
YTD	-12%
3 Month	-2.6%
1 Month	0.0%
Annualised:	
Inception	6.3%
UK Launch	6.6%

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 Kennox Strategic Value strategy. They are fully aligned with investors, each having 100% of their investment in equities in the S&W Kennox Strategic Value 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.<sup>‡</sup>

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>6.3%</b>	<b>0.4</b>	<b>13.8%</b>	<b>-9.2%</b>	<b>11.4%</b>
MSCI World Value	6.4%	0.3	10.2%	-14.2%	16.9%
MSCI World	8.9%	0.5	9.4%	-10.7%	16.3%
IA Global Sector	6.6%	0.4	9.8%	-12.6%	14.9%

ANNUAL DISCRETE	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007 (9/7/07)
<b>Kennox* (net of fees)</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	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%	-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	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**

<sup>‡</sup> 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	108.8	1.45%	B2R8FY9	GB00B2R8FY91
Professional Accumulation	1.3%	£20,000	125.8	1.45%	B9DH0K0	GB00B9DH0K00
Institutional Income	1.0%	£2m	110.0	1.15%	B3YDJ20	GB00B3YDJ200
Institutional Accumulation	1.0%	£2m	130.0	1.15%	B8Y8GR4	GB00B8Y8GR43
Class A Income	0.80%	£20m	110.0	0.95%	B9D9Z90	GB00B9D9Z904
Class A Accumulation	0.80%	£20m	131.7	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	£118 Million
Total Strategy AUM	£260 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
Performance Tracking	<a href="http://www.kennox.co.uk/performance">www.kennox.co.uk/performance</a>
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: 2.6% Institutional: 2.9% Class A: 3.2%
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](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/)

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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.