



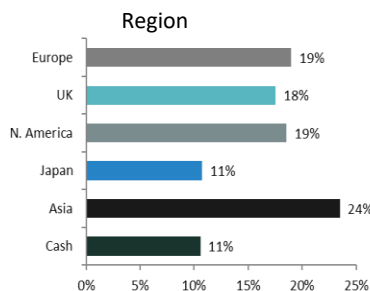
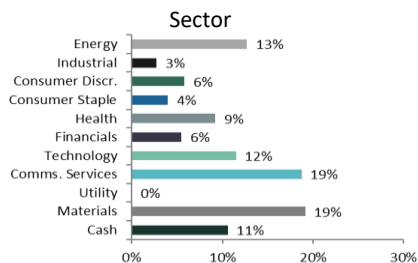
PERFORMANCE COMMENTARY

Stock markets were relatively quiet in July, despite Q2 results season highlighting just how painful the ongoing pandemic has been for earnings of the majority of the market – even those with resilient revenue streams have been hurt by the cost impact of new Covid-19 safety protocols. Over the month most portfolio stocks held up well, but overall returns were negatively impacted by the sharp strengthening of sterling against all currencies (particularly in the last week), as the market seems buoyed by better than expected economic data and increasing hopes of an EU-UK trade deal. With the Fund’s performance measured in sterling, these currency movements were a significant headwind, resulting in a month-end return of - 3%.

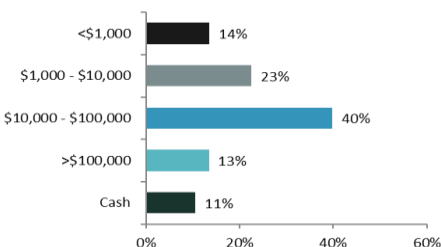
Our goldminer holdings continue to be the most positive contributors to performance, where weakness in the dollar has been offset by strength in the gold price (up 10% during the month in dollar terms). All three of our miners reported Q2 earnings during the month, and the shares were up 14% on average in local currencies (9% in sterling). The goldminers continue to be a core holding for the Fund, as uncertainty in the global economy heightens risks across almost all equity sectors and regions and increases the appeal of gold as a safe haven. With our enthusiasm tempered by how far prices of our holdings have run in the last 5 years (the point at which we first made Newmont the largest holding in the Fund), we remain comfortable with all three of our holdings and their diversified exposures: Newmont, Newcrest and Yamana.

The portfolio remains well positioned to weather continuing uncertainty as the world battles with Covid-19 and reacts to localised increases in cases. Markets have bifurcated between companies that are seen to be immune to market shocks (which stocks now trade at highly speculative prices) and those that seem to be battling for survival (such as retailers now pricing in a large chance of extinction). Against this backdrop, we are very comfortable with our positioning – avoiding these two extremes, holding the long term survivors - sector leaders with low levels of leverage, offered at undemanding valuations.

FUND POSITIONING



Market Cap (\$m)



TOP 10 HOLDINGS

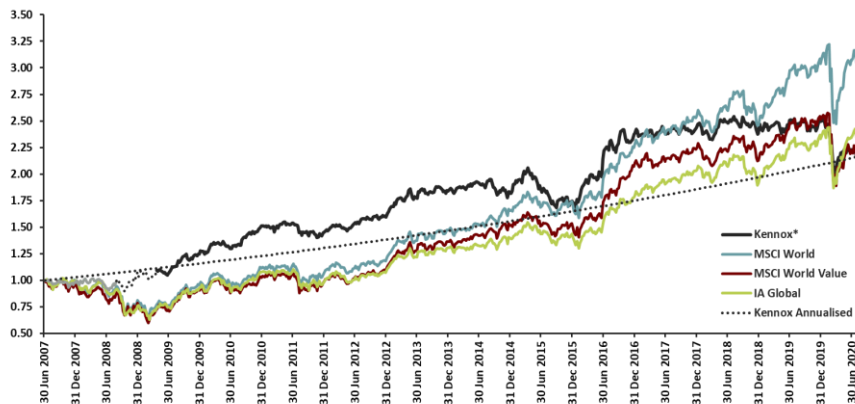
TOP 10 HOLDINGS	% FUND	PERFORMANCE (net of fees)*
NEWMONT CORP	8.8%	Inception (9/7/2007) 116%
NEWCREST MINING	6.1%	UK Launch (30/4/2009) 99%
CHINA MOBILE	4.5%	5 Years 18%
YAMANA GOLD	4.3%	4 Years -3.8%
EQUINOR	4.1%	3 Years -9.8%
SINGAPORE TELECOM	4.1%	2 Years -14%
SWISSCOM	4.0%	1 Year -14%
WESTERN UNION	4.0%	TESCO -13%
TESCO	4.0%	YTD -1.8%
FUKUDA DENSHI	3.9%	3 Month -3.0%
<b>Total Top Ten</b>	<b>47.6%</b>	<b>1 Month</b>
17 other holdings	41.8%	Annualised: 6.1%
Cash	10.6%	Inception 6.3%
<b>Total</b>	<b>100.0%</b>	<b>UK Launch</b>

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.<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>6.1%</b>	<b>0.4</b>	<b>13.8%</b>	<b>-9.2%</b>	<b>11.4%</b>
MSCI World Value	6.1%	0.3	10.2%	-14.2%	16.9%
MSCI World	8.9%	0.5	9.4%	-10.7%	16.2%
IA Global Sector	6.7%	0.4	9.8%	-12.6%	14.8%

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	106.8	1.45%	B2R8FY9	GB00B2R8FY91
Professional Accumulation	1.3%	£20,000	123.5	1.45%	B9DH0K0	GB00B9DH0K00
Institutional Income	1.0%	£2m	108.0	1.15%	B3YDJ20	GB00B3YDJ200
Institutional Accumulation	1.0%	£2m	127.7	1.15%	B8Y8GR4	GB00B8Y8GR43
Class A Income	0.80%	£20m	108.0	0.95%	B9D9Z90	GB00B9D9Z904
Class A Accumulation	0.80%	£20m	129.4	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	£110 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)	Class A: 3.2% Professional: 2.6% Institutional: 3.0%
Registrar	Smith & Williamson Fund Administration Limited
Depository	NatWest Depository Services Limited
Custodian	Bank of New York Mellon
Auditor	Johnston Carmichael

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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