

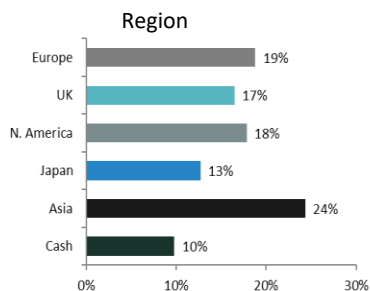
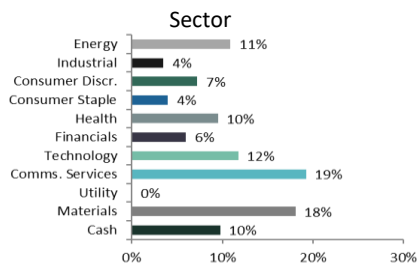
PERFORMANCE COMMENTARY

October continued the downward trend in global stock markets, due to uncertainty around Covid lockdowns and the US election. The Fund performed in line with global stock markets, down 3.7%.

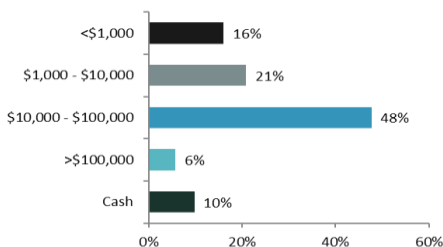
The top performer in the month was KPN, the market leading telecoms company in the Netherlands, with shares up 15%. Rumours of a takeover bid for the company have helped push the shares higher. Operationally results have been reasonable, a cost cutting programme means adjusted profits so far this year are up on last year and there are signs customer numbers are stabilising. At 15x our Sustainable Earnings with a 5.5% dividend yield, it looks good value and is a mid-sized position in the fund at 2.9%. Also a 2.9% position, Texwinca was likewise strong over the month. With its core business holding up well in the current difficult environment and a strong balance sheet featuring significant financial reserves, at 4x our Sustainable Earnings the stock represents excellent value.

The weakest performer was GlaxoSmithKline, with shares down 11%. Despite potentially benefiting from producing a Covid vaccine, further lockdowns do hurt short term profits as vaccinations (around a quarter of operating profits) are reduced. Held back over the last few years by issues with its pipeline of potential drugs, the company now has a range of businesses/products that produce excellent profits and a re-focused R&D programme and pipeline that offer attractive future growth. The shares look highly attractive at 13x Sustainable Earnings, paying a 6% dividend yield. Although weak over the month, we remain comfortable holders of our energy majors - please see our 3Q 2020 quarterly report for more detail on our view.

FUND POSITIONING



Market Cap (\$m)



TOP 10 HOLDINGS

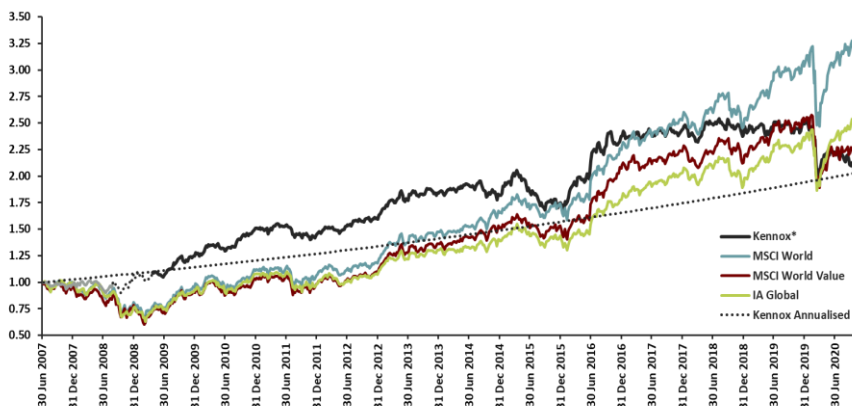
| TOP 10 HOLDINGS      | % FUND        | PERFORMANCE (net of fees)* |
|----------------------|---------------|----------------------------|
| NEWMONT CORP         | 8.8%          | Inception (9/7/2007) 103%  |
| NEWCREST MINING      | 5.4%          | UK Launch (30/4/2009) 87%  |
| CHINA MOBILE         | 4.3%          | 5 Years 15%                |
| FUKUDA DENSHI        | 4.2%          | 4 Years -16%               |
| SWISSCOM             | 4.1%          | 3 Years -16%               |
| YAMANA GOLD          | 4.0%          | 2 Years -18%               |
| TESCO                | 4.0%          | 1 Year -16%                |
| WESTERN UNION        | 3.8%          | YTD -19%                   |
| EQUINOR              | 3.7%          | 3 Month -6.1%              |
| SINGAPORE TELECOM    | 3.6%          | 1 Month -3.7%              |
| <b>Total Top Ten</b> | <b>45.8%</b>  |                            |
| 18 other holdings    | 44.4%         | Annualised: 5.5%           |
| Cash                 | 9.8%          | Inception 5.6%             |
| <b>Total</b>         | <b>100.0%</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>5.5%</b>       | <b>0.4</b>                           | <b>13.8%</b> | <b>-9.2%</b> | <b>11.4%</b>             |
| MSCI World Value             | 6.0%              | 0.3                                  | 10.2%        | -14.2%       | 16.9%                    |
| MSCI World                   | 8.9%              | 0.5                                  | 9.4%         | -10.7%       | 16.2%                    |
| IA Global Sector             | 6.8%              | 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<br>(Income & accumulation) | Investment<br>Management Fee | Minimum Initial<br>Investment | GBP<br>(pence) | OCF   | Sedol   | ISIN         |
|--|------------------------------|-------------------------------|----------------|-------|---------|--------------|
| Professional Income                        | 1.3%                         | £20,000                       | 98.7           | 1.47% | B2R8FY9 | GB00B2R8FY91 |
| Professional Accumulation                  | 1.3%                         | £20,000                       | 115.9          | 1.47% | B9DH0K0 | GB00B9DH0K00 |
| Institutional Income                       | 1.0%                         | £2m                           | 99.7           | 1.17% | B3YDJ20 | GB00B3YDJ200 |
| Institutional Accumulation                 | 1.0%                         | £2m                           | 119.9          | 1.17% | B8Y8GR4 | GB00B8Y8GR43 |
| Class A Income                             | 0.80%                        | £20m                          | 99.7           | 0.97% | B9D9Z90 | GB00B9D9Z904 |
| Class A Accumulation                       | 0.80%                        | £20m                          | 121.6          | 0.97% | 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                    | £96 Million  |
| Total Strategy AUM           | £236 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: 3.5% Professional: 2.9% Institutional: 3.2%                           |
| 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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