



PERFORMANCE COMMENTARY

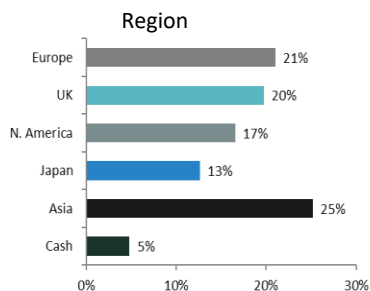
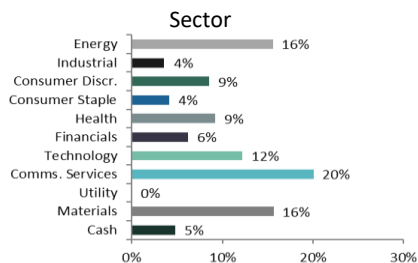
After the rapid rise in November, markets were quieter in December with the Fund up 0.7%. Markets continue to favour “risk-on” sectors, with Technology and Consumer Discretionary stocks outperforming the more conservative Utilities, Consumer Staples and Health Care sectors over the month.

Within the portfolio, our more cyclical Japanese stocks led performance, with Star Micronics up 14% and Canon Marketing Japan up 8%. Monthly performance was held back by weakness in a few holdings, including China Mobile, down 7% (as tensions between the US and China intensified) and SingTel, down 4% (giving back some of its November gains). We remain comfortable holders of both stocks.

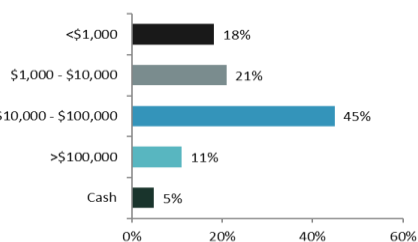
As markets begin to factor in a very likely return of inflation, areas of our portfolio well-placed to benefit directly from inflation also performed well, with Yamana up 7% and our energy stocks up 4% on average. As one of the few sectors that have experienced a tightening of capital expenditure over last decade, we believe that exposure to gold is a critical part of any well diversified portfolio and hold 16% of the portfolio across three industry leading miners – Newmont, Newcrest and Yamana. Similarly, while currently there is no viable alternative to fossil fuels, we believe negative sentiment towards energy majors has provided an exceptional value opportunity. Having added through the second half of 2020 at depressed prices, we hold 16% of the portfolio in Royal Dutch Shell, Equinor, BP and Exxon Mobil.

Having added a new position earlier in the fourth quarter (Stella International, a pan-Asian shoe manufacturer) and opportunistically to existing holdings, the Fund closes the year with cash at 4.8%.

FUND POSITIONING



Market Cap (\$m)



TOP 10 HOLDINGS

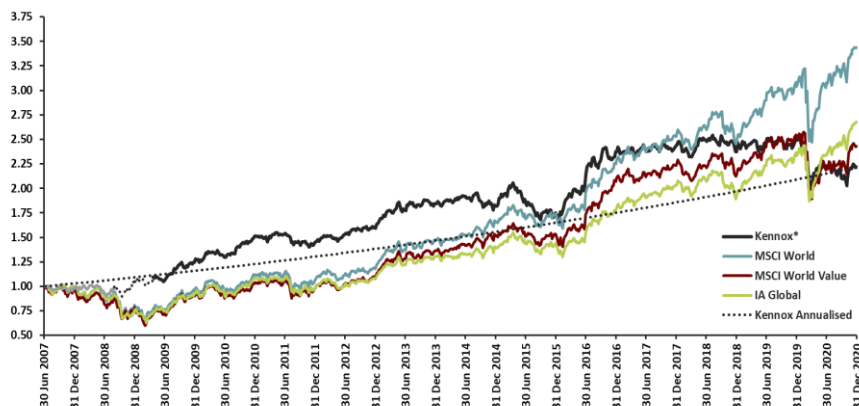
TOP 10 HOLDINGS	% FUND	PERFORMANCE (net of fees)*
NEWMONT CORP	7.5%	Inception (9/7/2007) 122%
ROYAL DUTCH SHELL	5.1%	UK Launch (30/4/2009) 104%
NEWCREST MINING	4.5%	5 Years 27%
QUADIANT	4.4%	4 Years -6.6%
EQUINOR	4.3%	3 Years -8.8%
SINGAPORE TELECOM	4.2%	2 Years -6.8%
BP	4.2%	1 Year -11%
TESCO	4.1%	YTD -11%
FUKUDA DENSHI	4.1%	3 Month 5.3%
CHINA MOBILE	4.0%	1 Month 0.7%
<b>Total Top Ten</b>	<b>46.3%</b>	
18 other holdings	48.9%	Annualised:
Cash	4.8%	Inception 6.1%
<b>Total</b>	<b>100.0%</b>	UK Launch 6.3%

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	6.9%	0.3	11.5%	-14.2%	16.9%
MSCI World	9.6%	0.5	9.4%	-10.7%	16.2%
IA Global Sector	7.6%	0.4	9.8%	-12.6%	14.7%

ANNUAL DISCRETE	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007 (9/7/07)
<b>Kennox* (net of fees)</b>	<b>-11.1%</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	-3.2%	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	13.2%	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	14.8%	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	107.9	1.47%	B2R8FY9	GB00B2R8FY91
Professional Accumulation	1.3%	£20,000	126.7	1.47%	B9DH0K0	GB00B9DH0K00
Institutional Income	1.0%	£2m	109.1	1.17%	B3YDJ20	GB00B3YDJ200
Institutional Accumulation	1.0%	£2m	131.1	1.17%	B8Y8GR4	GB00B8Y8GR43
Class A Income	0.80%	£20m	109.1	0.97%	B9D9Z90	GB00B9D9Z904
Class A Accumulation	0.80%	£20m	133.0	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** £101 Million  
**Total Strategy AUM** £249 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** [www.kennox.co.uk/performance](http://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)** Class A: 2.4% Professional: 1.9% Institutional: 2.2%  
**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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