



PERFORMANCE COMMENTARY

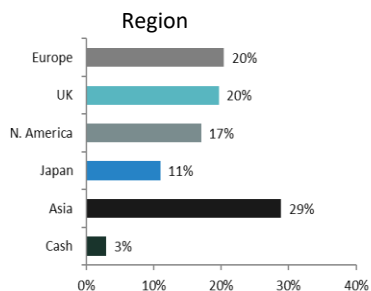
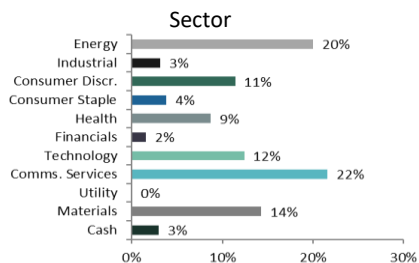
With the markets bouncing around on the uncertainty around potential central bank actions and covid variants, the Fund was down 2.7% in November.

The top contributor to performance was Texwinca. Texwinca is an excellent example of how inexpensive some of the holdings in the Fund remain. With its share price up over 60% from the lows of spring 2020, Texwinca is still very attractively priced. The company generates substantial cash flows which cover a dividend yield of c. 10%. The shares trade at 0.4x tangible book value, which we figure to be a conservative estimate of break-up value. There is significant net cash and financial investments on the balance sheet, representing over 50% of the market cap. The weakness in the retail segment continues to hold back sentiment – any improvement there, or continued improvement in the textiles segment, could lead to a significant re-rating.

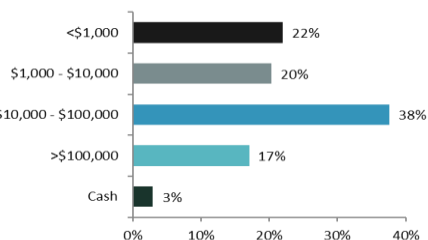
The largest detractor to November performance was Yue Yuen, the Hong Kong listed manufacturer of athletic and casual shoes. The covid period has been difficult for the sector and Yue Yuen has not been exempt. The largest player in its industry, with both scale and a long history of working with the top brands, Yue Yuen is well positioned to thrive and we are content to hold, viewing the deflated share price as an exceptional opportunity (the stock is trading at less than tangible book value and at under 10x our view of its sustainable earnings).

Like Yue Yuen, Kennox actively seeks out opportunities where sector leaders are available at temporarily depressed prices. With patience, we expect our strategy to produce very strong returns indeed.

FUND POSITIONING



Market Cap (\$m)



TOP 10 HOLDINGS

TOP 10 HOLDINGS	% FUND
NEWMONT CORP	6.5%
EQUINOR	5.9%
ROYAL DUTCH SHELL	5.7%
BP	4.8%
SINGAPORE TELECOM	4.6%
QUADIANT	4.5%
YAMANA GOLD	4.2%
CHINA MOBILE	4.0%
TEXWINCA	3.9%
TESCO	3.8%
<b>Total Top Ten</b>	<b>47.7%</b>
17 other holdings	49.3%
Cash	3.0%
<b>Total</b>	<b>100.0%</b>

PERFORMANCE (net of fees)\*

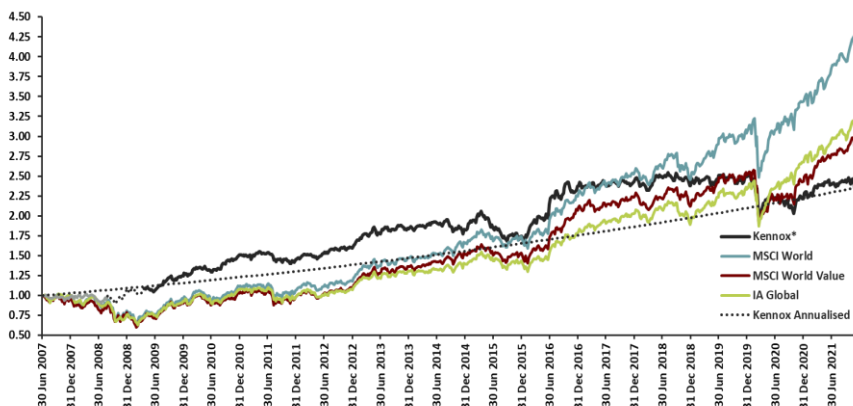
Inception (9/7/2007)	135%
UK Launch (30/4/2009)	117%
5 Years	2.4%
4 Years	-2.3%
3 Years	-5.5%
2 Years	-4.0%
1 Year	6.8%
YTD	6.0%
3 Month	-3.1%
1 Month	-2.7%
Annualised:	
Inception	6.1%
UK Launch	6.3%

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>11.3%</b>
MSCI World Value	7.7%	0.4	11.5%	-14.2%	16.4%
MSCI World	10%	0.6	9.4%	-10.7%	15.8%
IA Global Sector	8.2%	0.5	9.8%	-12.6%	14.4%

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
Class P Income	1.3%	£20,000	111.5	1.53%	B2R8FY9	GB00B2R8FY91
Class P Accumulation	1.3%	£20,000	133.8	1.53%	B9DH0K0	GB00B9DH0K00
Class I Income	1.0%	£2m	112.7	1.23%	B3YDJ20	GB00B3YDJ200
Class I Accumulation	1.0%	£2m	139.0	1.23%	B8Y8GR4	GB00B8Y8GR43
Class A Income	0.80%	£20m	112.7	1.03%	B9D9Z90	GB00B9D9Z904
Class A Accumulation	0.80%	£20m	141.6	1.03%	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** £54 Million  
**Total Strategy AUM** £163 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

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/)

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: 2.8% Class P: 2.3% Class I: 2.6%  
**Registrar** Smith & Williamson Fund Administration Limited  
**Depository** NatWest Depository Services Limited  
**Custodian** Bank of New York Mellon  
**Auditor** Johnston Carmichael

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