

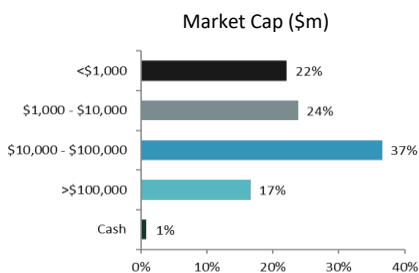
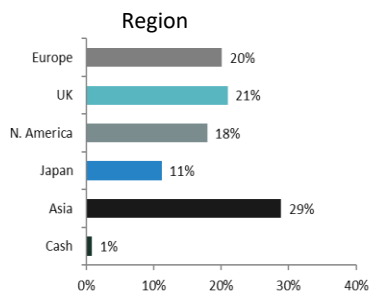
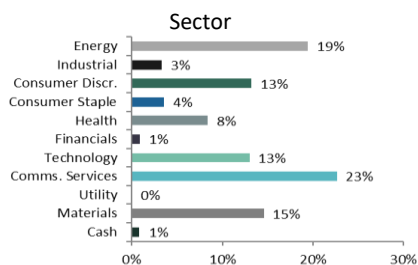
PERFORMANCE COMMENTARY

The Fund was up 3.8% this month, with Europe leading global markets and Asia continuing to lag.

In the face of weaker Asian markets, the top performing stock during the month was Sky Network Television in New Zealand, up 59% in local currency. We wrote about Sky in September as a top performer, highlighting the extremely negative sentiment around the company and the stabilisation in profitability at their full year results which led to such strong share price gains. As a reminder, over the last few years a sceptical market has been asking existential questions: a new competitor for sports content, customer numbers dropping, the long-term future of satellite television. A turnaround plan has been put in place, securing the most important content, improving their streaming platform and taking significant costs out of the business. The first evidence of this plan working was in the profit stabilisation announced back in September. During December, the company announced an increase in profit guidance for this year, more evidence for the market that the plan was working. Despite the recent share price rise it remains on 9x our Sustainable Earnings. Additionally, there remains growth potential with plans for a new Sky box and offering broadband bundles to customers.

The two largest detractors from performance were Fujikon and Texwinca, both small caps listed in Hong Kong. There are similarities with Sky NZ as negative sentiment has pushed valuations to extremes. To highlight this Fujikon trades at 40% below the net cash position on the balance sheet while Texwinca trades at 0.4x book value - a reasonable estimate of break-up value. At these levels even a slight improvement in fortunes could see strong share price gains.

FUND POSITIONING



TOP 10 HOLDINGS

TOP 10 HOLDINGS	% FUND
NEWMONT CORP	6.7%
EQUINOR	5.6%
ROYAL DUTCH SHELL	5.6%
BP	4.6%
SINGAPORE TELECOM	4.2%
SKY NEW ZEALAND	4.2%
QUADIANT	4.1%
YAMANA GOLD	4.0%
NEWCREST MINING	3.9%
CHINA MOBILE	3.9%
<b>Total Top Ten</b>	<b>46.8%</b>
<b>18 other holdings</b>	<b>52.3%</b>
Cash	0.9%
<b>Total</b>	<b>100.0%</b>

PERFORMANCE (net of fees)\*

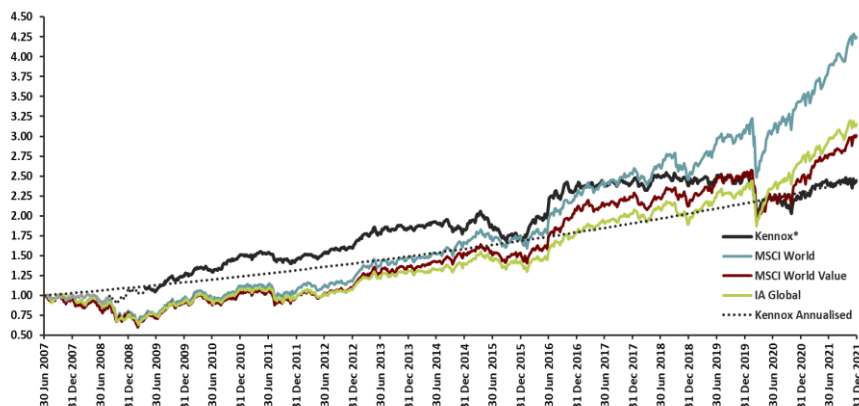
Inception (9/7/2007)	144%
UK Launch (30/4/2009)	125%
5 Years	2.9%
4 Years	0.3%
3 Years	2.6%
2 Years	-2.1%
1 Year	10%
YTD	10%
3 Month	-0.3%
1 Month	3.8%
Annualised:	
Inception	6.4%
UK Launch	6.6%

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 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>6.4%</b>	<b>0.5</b>	<b>13.8%</b>	<b>-9.2%</b>	<b>11.4%</b>
MSCI World Value	8.0%	0.4	11.5%	-14.2%	16.4%
MSCI World	11%	0.6	9.4%	-10.7%	15.7%
IA Global Sector	8.2%	0.5	9.8%	-12.6%	14.4%

ANNUAL DISCRETE	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007 (9/7/07)
<b>Kennox* (net of fees)</b>	<b>10.1%</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	23.9%	-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	23.4%	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	17.6%	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.

Performance figures shown are total return with data for Kennox and the MSCI provided by Kennox/Bloomberg and IA Global data provided by Morningstar



3 SHARE CLASSES (Income & accumulation)	Investment Management Fee	Minimum Initial Investment	GBP (pence)	OCF	Sedol	ISIN
Class P Income	1.3%	£20,000	115.8	1.53%	B2R8FY9	GB00B2R8FY91
Class P Accumulation	1.3%	£20,000	138.9	1.53%	B9DH0K0	GB00B9DH0K00
Class I Income	1.0%	£2m	117.0	1.23%	B3YDJ20	GB00B3YDJ200
Class I Accumulation	1.0%	£2m	144.3	1.23%	B8Y8GR4	GB00B8Y8GR43
Class A Income	0.80%	£20m	117.0	1.03%	B9D9Z90	GB00B9D9Z904
Class A Accumulation	0.80%	£20m	147.0	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** £53 Million  
**Total Strategy AUM** £167 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

**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: 2.7% Class P: 2.2% Class I: 2.5%  
**Registrar** Smith & Williamson Fund Administration Limited  
**Depository** NatWest Depository Services Limited  
**Custodian** Bank of New York Mellon  
**Auditor** Johnston Carmichael

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