



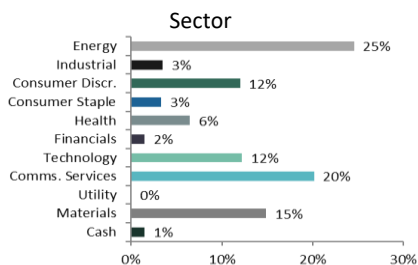
PERFORMANCE COMMENTARY

The Fund was up 1.7% this month. With our companies trading at low valuations and now benefitting from operational tailwinds, we believe the outlook is increasingly positive for our style and portfolio.

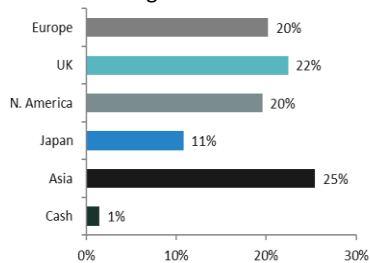
One of our Japanese companies, Star Micronics, was the top performer in the month. We have held this company for over a decade and it is a good example of the type of company we look to own; a market leader in a niche area that is not easily replicable – in this case machine tools for use in various industries such as medical, telecoms or automotive. Despite having reported 2021 profits back up to pre-pandemic levels and guiding to profitability increasing even further, the share price response had been negligible. However after again reporting strong result in Q1, the market appears to have taken note – the share price rose 16% (in GBP) in May. Even with the recent move it is on 15x our Sustainable Earnings, which is a discount to this year’s expected earnings. It pays a 3.2% dividend yield and has a significant net cash position on the balance sheet. Our energy majors also performed strongly in the month, up on average up 12%, but they remain lowly valued so out of favour have they been.

The weakest performer during the month was Currys. The prices of the UK retailers in general have been weak as the market worries about a squeeze on consumers. Yet valuations for Currys look extreme, at 8x our Sustainable Earnings, and appear to be overlooking its long term competitive advantages. Importantly these include its strong relationship with suppliers (and ability therefore to price match) and flexibility between both online and instore sales and service.

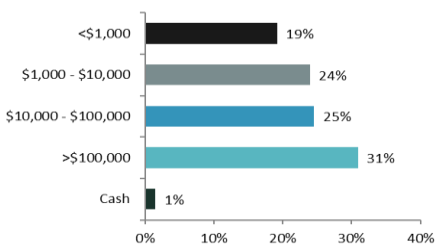
FUND POSITIONING



Region



Market Cap (\$m)



TOP 10 HOLDINGS

Company	% FUND
EQUINOR	7.2%
SHELL	6.9%
NEWMONT CORP	6.7%
EXXON	5.2%
BP	5.2%
YAMANA GOLD	4.6%
SINGAPORE TELECOM	4.2%
CANON MARKETING	4.0%
NEWCREST MINING	3.6%
QUADIANT	3.5%
<b>Total Top Ten</b>	<b>51.1%</b>
<b>18 other holdings</b>	<b>47.4%</b>
Cash	1.5%
<b>Total</b>	<b>100.0%</b>

PERFORMANCE (net of fees)\*

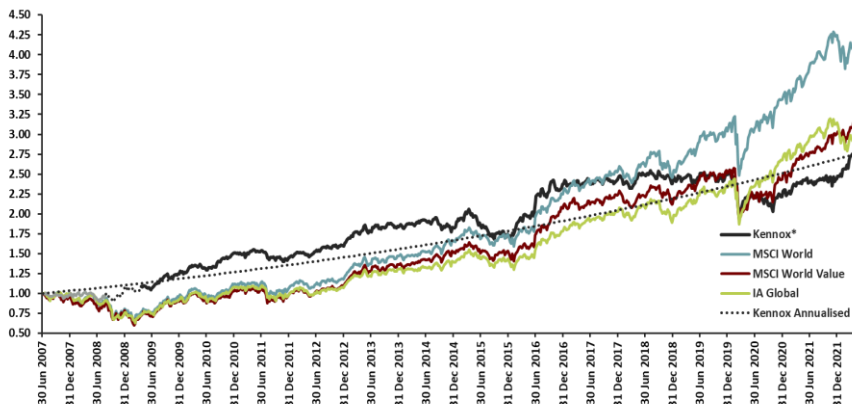
Inception (9/7/2007)	180%
UK Launch (30/4/2009)	158%
5 Years	16%
4 Years	12%
3 Years	17%
2 Years	27%
1 Year	16%
YTD	15%
3 Month	9.2%
1 Month	1.7%
Annualised:	
Inception	7.1%
UK Launch	7.5%

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.

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.‡

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>7.1%</b>	<b>0.5</b>	<b>13.8%</b>	<b>-9.2%</b>	<b>11.3%</b>
MSCI World Value	8.0%	0.4	11.5%	-14.2%	16.4%
MSCI World	9.7%	0.5	9.4%	-10.7%	15.9%
IA Global Sector	7.3%	0.4	9.8%	-12.6%	14.5%

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**

\* 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 Class I 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	131.9	1.53%	B2R8FY9	GB00B2R8FY91
Class P Accumulation	1.3%	£20,000	159.0	1.53%	B9DH0K0	GB00B9DH0K00
Class I Income	1.0%	£2m	133.3	1.23%	B3YDJ20	GB00B3YDJ200
Class I Accumulation	1.0%	£2m	165.4	1.23%	B8Y8GR4	GB00B8Y8GR43
Class A Income	0.80%	£20m	133.3	1.03%	B9D9Z90	GB00B9D9Z904
Class A Accumulation	0.80%	£20m	168.6	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	£60 Million
Total Strategy AUM	£170 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>

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/)

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: 2.5% Class P: 2.1% Class I: 2.3%
Registrar	Smith & Williamson Fund Administration Limited
Depository	NatWest Depository Services Limited
Custodian	Bank of New York Mellon
Auditor	Johnston Carmichael

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