

JOHCM UK Growth Fund

Fund overview

- The Fund aims to generate long-term capital growth in excess of the FTSE All-Share Total Return Index through active management
- Fund managers Mark Costar and Vishal Bhatia seek to identify mispriced or undiscovered growth stocks with a perceived high margin of safety but significant upside potential
- A stock-picking fund that invests across the market cap range, albeit with a historic bias towards small-cap stocks
- SFDR classification: Article 8. Please click [here](#) for further details
- Benchmark: FTSE All-Share Total Return Index)
- The use of the Index does not limit the investment decisions of the fund manager therefore the shareholdings of the Fund may differ significantly from those of the Index
- Please see the [Prospectus/KIID/KID](#) for further information. Please ensure you read and understand these documents before making an investment and wherever possible obtain professional advice

Share class: A GBP

ISIN: IE0033009345

Fund details

Fund size	GBP 197.12m
Strategy size	GBP 155.59m
Launch date	6 November 2001
Benchmark	FTSE All-Share TR (12pm adjusted)
No. of holdings	53
Domicile	Ireland
Fund structure	UCITS
Tax status	UK reporting status
Denominations	GBP
Valuation point	12pm Dublin time
SFDR	Article 8

Total strategy assets updated quarterly and shown as at 31 March 2024.

Fund managers



Mark Costar

Senior Fund Manager

Mark has managed the Fund since launch. He joined JOHCM in 2001 and has 31 years of industry experience.



Vishal Bhatia

Senior Fund Manager

Co-manager Vishal joined JOHCM in 2007 and has managed the Fund alongside Mark since 2011. He has 19 years of industry experience.

Performance highlights

Return since launch (%)



Return history

	1m	3m	1yr	3yr	5yr	10yr	SL	Annualised*
A GBP	4.83	22.38	22.41	12.83	52.56	72.17	492.99	8.20
Benchmark	1.67	9.58	14.42	24.99	37.29	77.02	300.85	6.34
Quartile**	1	1	1	3	1	2	1	-

Discrete 12 month performance to end of May

	05.24	05.23	05.22	05.21	05.20	05.19	05.18	05.17	05.16	05.15
A GBP	22.41	-2.38	-5.57	52.08	-11.09	-9.85	8.89	23.65	-13.06	6.93

Past performance is no guarantee of future performance.

The value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested. For further information on risks please refer to the Fund's KIID/KID and/or the Prospectus. The Fund's investment include shares in small-cap companies and these tend to be traded less frequently and in lower volumes than larger companies making them potentially less liquid and more volatile.

NAV of Share Class A in GBP, net income reinvested, net of fees. The A GBP Class was launched on 7 May 2003. During the period 6 November 2001 to 7 May 2003 the performance record is based on the pre-existing share class that had a higher management fee. Performance of other share classes may vary and is available on request.

*Annualised since launch. **Refers to the fund's ranking in a peer group of funds made up from all funds classified as UK All Companies by the Investment Association (IA) or Equity UK by Lipper Global. Funds included may be domiciled in the UK, Ireland, or Luxembourg.

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Portfolio analysis (%)

Data as at 31 May 2024

Active positions

Top 10	Relative
Funding Circle Holdings	4.5
Kooth	3.1
Rank	2.9
BT	2.8
Standard Chartered	2.8
PureTech Health	2.8
Gooch & Housego	2.8
Associated British Foods	2.7
NCC Group	2.5
accesso	2.3
Bottom 10	Relative
HSBC	-3.2
AstraZeneca	-3.2
Shell	-3.2
Unilever	-3.1
GSK	-2.9
RELX	-2.7
Rio Tinto	-2.5
Glencore	-2.4
Diageo	-2.4
British American Tobacco	-2.0

Sector breakdown

	Absolute	Relative
Technology	23.6	22.3
Industrials	14.6	2.2
Telecommunications	3.2	2.0
Financials	24.3	0.0
Energy	10.8	-0.4
Real Estate	0.0	-2.6
Utilities	0.0	-3.5
Basic Materials	3.0	-4.3
Consumer Discretionary	6.1	-4.6
Health Care	7.5	-4.6
Consumer Staples	5.8	-7.6
Cash	1.0	1.0

Market cap breakdown

	Absolute
FTSE 100	40.8
FTSE 250	13.0
FTSE Small	45.2
Cash	1.0

FTSE Small = FTSE Small Cap, FTSE Fledgling and FTSE AIM

Attribution & contribution (%)

Stock attribution

Top contributors	Relative return
Funding Circle Holdings	1.46
BT	0.51
Access Intelligence	0.43
Standard Chartered	0.26
Science in Sport	0.24
Top detractors	
CMO	-0.33
FairFX	-0.27
BP	-0.17
Associated British Foods	-0.16
Cambridge Cognition	-0.14

Sector attribution*

	Relative return
Financials	2.08
Technology	1.26
Telecommunications	0.44
Utilities	0.18
Consumer Staples	0.09
Health Care	0.04
Real Estate	-0.08
Basic Materials	-0.10
Energy	-0.23
Industrials	-0.32
Consumer Discretionary	-0.38

*Excludes cash

Please note that due to rounding breakdowns may not add to 100.00%. All Attribution figures are as at end of day and are calculated on a gross basis.



Fund manager's commentary

- The UK market continues to show positive signs with increased corporate activity and strong evidence of confidence, including significant capital raisings
- The fund had a robust month in May, driven by stock selection and better-than-expected corporate developments, with companies like Trufin, Pulsar, and Funding Circle exceeding market expectations
- BT's results met expectations, but the significant cashflow upgrade and increased confidence in the high-speed fibre rollout and next-generation network potential suggest the shares are still undervalued

'No landing' and stagflation are increasingly creeping into the market vernacular as patches of slowing economic growth meet persistently stubborn inflation readings. Despite this, company rhetoric remains extremely positive, most particularly in the UK, where overall performance continues to gently diverge from its US brethren. In fact, the UK appears very much 'open for business' as not only does the elevated cadence of corporate activity continue, but also, further, compelling evidence of confidence continues to build. Notably, capital raisings have re-appeared with a vengeance with National Grid's substantial rights issue, the biggest in the market since 2008, funding its monster £32bn capex upgrade plan for the electricity backbone. Meanwhile, on a smaller scale but no less interesting, there was a similarly proactive deal from Great Portland Estates to fund asset purchases at what they believe is the bottom of the cycle. Unsurprisingly, given all the above and the still gaping valuation discount, the UK market continues to grind higher. This was further bolstered by tentative early evidence of the things broadening out, with the first month of meaningful outperformance of small and mid-cap assets for a considerable period, alongside volumes and block placings picking up, the IPO market beginning to stir and international enquiries continuing to build. These are all classic bull market indicators and should hopefully portend a strong period of returns ahead.

May was another pleasingly robust month for the fund and was again driven almost entirely by stock selection. Similarly, as with prior recent periods, the other important aspect was this was primarily down to better-than-expected corporate developments rather than re-ratings or using up 'fuel in the tank'; in fact, it was arguably quite the opposite. Good examples of this were Trufin, where profits were ahead of market expectations; Pulsar, which is seeing higher than anticipated revenue traction; and Funding Circle, which had another strong month but was firmly underpinned by the announcement of high-impact efficiency initiatives and an encouraging update on US progress.

Further up the size curve, BT's results were in line with expectations, but very significantly, the increased confidence in the high-speed fibre rollout and next-generation network potential, which has been apparent in recent engagements with management but on which the market has been sceptical, was tangibly underpinned with a huge cashflow upgrade. Despite a punchy 17% move on the day, the shares are still dramatically under-reflecting the significance of his development and how it will cascade very powerfully down to the equity. Indeed, in an environment where, at the margin, they see less competition, not more, and with the impact of productivity enhancements still to flow through, the shares still trade on a monster free cash flow yield as the capex rolls off and the multi-year transformation starts to truly bear fruit. Our confidence has increased as a result and our position size has done likewise.

The month wasn't blemish-free, however with a tough (but expected) trading outlook at CMO seeming to panic one or two holders even though the valuation is ludicrous, the balance sheet is better than we thought, and the straws in the wind, suggesting conditions are on the up. In a similar slightly baffling way, Equals Group was a drag as extensions to consolidation talks seemed to sap a little confidence, despite two suitors being in tow and the strong growth being delivered as expected. Like so many assets at this size of market capitalisation, the upside remains hugely compelling, whether that is realised via a deal consummating or the strong organic prospects finally being recognised in the rating. We have bought more and await developments with keen interest.

Performance over 1 month	%
Fund - A GBP	4.83
Benchmark	1.67

Statistics

	Annualised since launch
Active share* (%)	77.37
Fund volatility (%)	17.03
Benchmark volatility (%)	16.71
Alpha	2.32
R squared	0.84
Correlation	0.92
Tracking error (%)	6.84
Information ratio	0.27
Sharpe ratio	0.38

Data calculated weekly.

*The proportion of stock holdings in a fund's composition is different from the composition found in its benchmark. The greater the difference between the composition of the fund and its benchmark, the greater the active share.

Fund awards & ratings



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Country registration

	A GBP	B GBP
Austria	✓	✓
France	✓	✓
Germany	✓	✓
Ireland	✓	✓
Jersey	✓	✓
Luxembourg	✓	✓
Netherlands	✓	✓
Singapore	✓	✓
Spain	✓	✓
Sweden	✓	✓
Switzerland	✓	✓
UK	✓	✓

Regulatory documents

English language KIIDs can be found on our website at www.johcm.com

Foreign language versions are available on request by calling +44 (0) 20 7747 5646

Share class details (Further details on additional share classes are available on request)

	ISIN	SEDOL	Bloomberg	WKN	Initial charge	Annual charge	Ongoing charge	Minimum investment*
A GBP	IE0033009345	3300934	JHCMUKI ID	A0BKXR	Up to 5%	0.75%	0.83%	£1,000
B GBP Class	IE0031005543	3100554	JHCMUKG ID	A0BKXQ	Up to 5%	1.25%	1.33%	£1,000

Performance fee: A performance fee of 15% is payable on the excess if the NAV outperforms the Index Adjusted NAV (as defined in the Fund supplement) on an annual basis. The calculation is performed daily. Any underperformance is carried forward.

Ongoing Charge is as at 31 May 2024.

*Other currency equivalents apply.

Important information

Professional investors only.

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This is a marketing communication. Please refer to the fund prospectus and to the KIID / KID before making any final investment decisions.

These documents are available in English at www.johcm.com, and available from PISEL, or (for UK investors) JOHCM, at the addresses set out above.

Information on the rights of investors can be found [here](#)

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Investments may include shares in small cap companies and these tend to be traded less frequently and in lower volumes than larger companies making them potentially less liquid and more volatile.

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