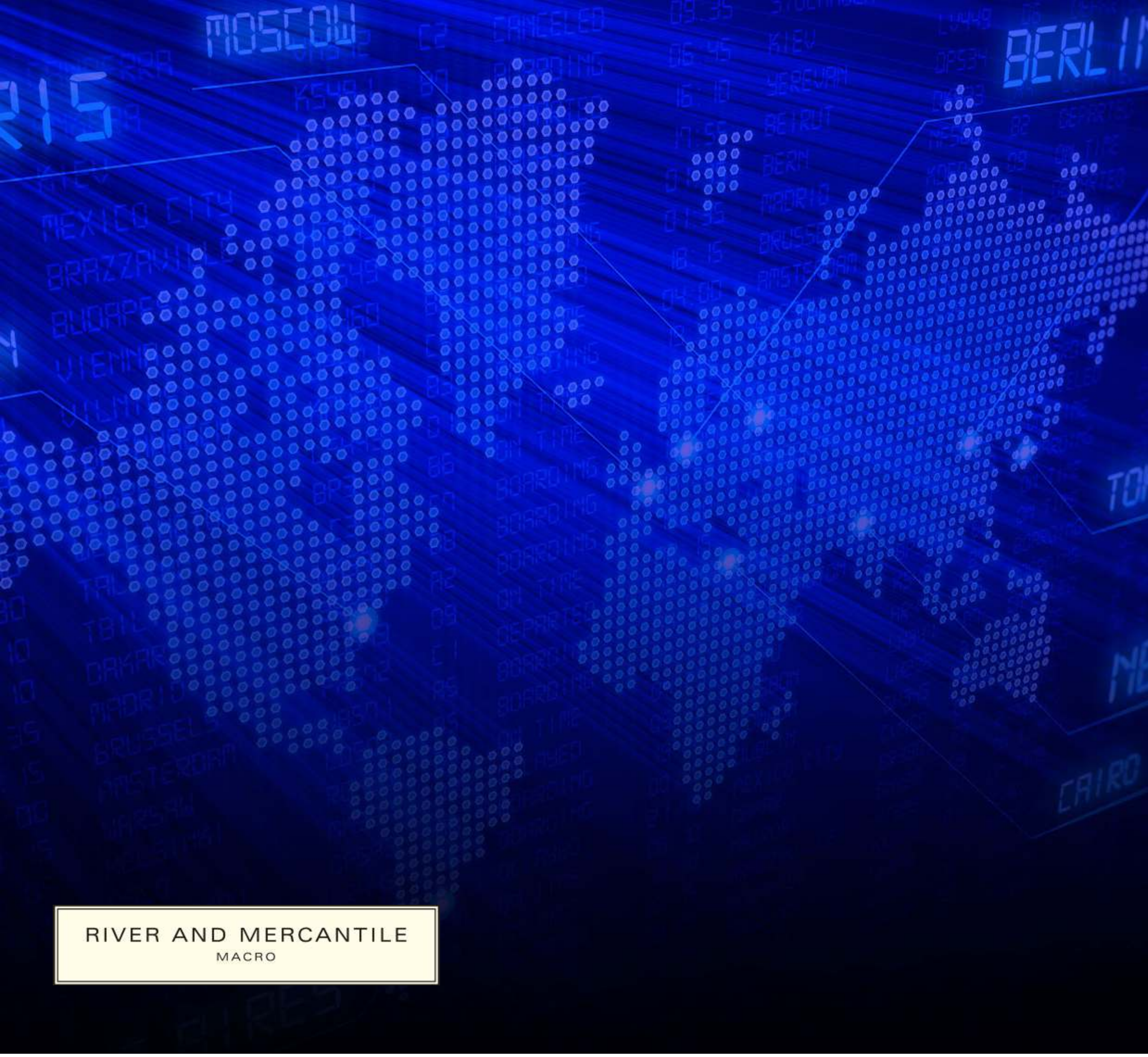


Global Macro Fund

Quarterly Report
to 30 June 2020

RIVER AND MERCANTILE
MACRO

Global Macro Fund
Quarter 2, 2020

Investment objective and performance target

The fund aims to achieve long-term capital appreciation through compound growth. Compound growth is the annual growth rate of an investment applied year on year for a specified period of time.

The fund aims to produce double-digit returns over a cycle, with positive returns in equity market drawdowns.

Portfolio characteristics and risk analysis

Fund assets under management (AUM)	USD 203m	Value at Risk (VaR)[2]	5.13%
Strategy capacity	$ 10bn	Volatility	8.16%
Inception date	28 February 2018[1]	Sharpe ratio	0.23
		Percentage positive months	68%

Source: River and Mercantile Group, risk analysis based on USD (Acc) Class A shares.
[1]Inception date taken as the date of seeding following a test-trade period after the fund's official launch on 25 Jan 2018.
[2]Using 99% confidence over 22-day Monte Carlo value at risk scaled up from 1 day.

Past performance

The tables below represent the performance of the fund, calculated using published NAVs net of fees and expenses. Past performance is not a reliable guide to future results.

	Cumulative (%)			Annualised (% p.a.)		
	3 months	YTD	1 year	3 years	5 years	Since Inception
USD (Acc) - Class A	-0.02	-9.51	-8.72	-	-	4.00
USD (Dist) - Class A	-0.02	-9.51	-8.72	-	-	3.99
GBP (Acc) - Class B	-0.09	-10.08	-9.79	-	-	2.70

Source: River and Mercantile Group.

Discrete monthly portfolio performance

USD (Acc) – Class A Shares

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CY[3]
2020	-0.75%	-9.04%	0.25%	0.15%	0.34%	-0.51%							-9.51%
2019	0.62%	-0.44%	3.49%	-1.08%	0.08%	4.04%	1.17%	0.89%	0.27%	-2.17%	0.21%	0.54%	7.73%
2018	-2.00%	-5.23%	1.06%	3.53%	2.79%	2.47%	-0.76%	0.26%	-0.12%	-0.27%	1.26%	1.66%	12.42%

USD (Dist) – Class A Shares

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CY[3]
2020	-0.75%	-9.04%	0.25%	0.15%	0.34%	-0.51%							-9.51%
2019	0.62%	-0.44%	3.49%	-1.08%	0.08%	4.05%	1.17%	0.89%	0.27%	-2.17%	0.21%	0.54%	7.73%
2018	-2.00%	-5.23%	1.06%	3.53%	2.79%	2.47%	-0.77%	0.26%	-0.12%	-0.28%	1.26%	1.66%	12.41%

GBP (Acc) – Class B Shares

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CY[3]
2020	-0.83%	-9.13%	-0.13%	0.11%	0.31%	-0.51%							-10.08%
2019	0.52%	-0.57%	3.40%	-1.27%	-0.06%	3.98%	1.04%	0.76%	0.17%	-2.17%	0.13%	0.42%	6.38%
2018	-2.01%	-5.32%	0.96%	3.41%	2.66%	2.46%	-0.95%	0.11%	-0.23%	-0.37%	1.24%	1.52%	11.26%

Source: River and Mercantile Group.
[3]The cumulative calendar year return shown for 2018 does not include the returns for January and February in line with the fund's inception date being taken as 28 February 2018 when the fund was seeded following a test-trade period.

Please note that any references to performance in the commentary below relate to the fund's gross performance in US dollars, before the deduction of any fees, unless otherwise stated.

Overview

Performance was flat in Q2 2020 following a difficult first quarter, with risk markets generally moving higher and defensive markets flat to down slightly.

Performance so far this year is a great example of how we expect the strategy to behave. In this note we provide some more insight into this, as well as how we expect things to play out in future.

First though it's worth refreshing the one driving principle of the strategy. The one thing that matters more than anything else for the strategy is **market motion supported by macro conditions**. That is, it will allocate meaningfully to a market that looks to be in a sustainable trend, and where that trend has support from a series of macro indicators, typically on around a 6-month horizon. In the absence of both, the strategy won't allocate.

Recent performance and positioning is logical and exactly what we should expect in the context of the recent market "recovery". While the recent equity rally has been strong (albeit most markets are still a way off highs), there hasn't been any macro support. Economics just aren't signalling the right conditions for a sustained recovery yet. In line with how we designed the strategy - we don't expect to participate in a rally where this support is absent.

So overall the strategy kept exposure modest over the quarter (c170% net on average) – biased towards defensives (<10% in equity and credit on average), and generally favouring quality relative value over rates on valuation grounds.

From a discretionary perspective, this makes perfect sense and is aligned with our view. All in, the models are coming to the conclusion on a 6m horizon that i) equity performance is impaired, ii) motion in governments is ok but still pretty muted and it doesn't look like yields can fall much further, and iii) the best opportunities are in the relative value space.

Now we have seen some green shoots from a macro perspective, particularly in areas where stimulus has had a direct impact. For example - while credit conditions are still weak for now, they are well ahead of where they would be absent stimulus measures. Some economic data is also showing signs of maybe being past the worst of it (e.g. unemployment, PMIs), but it's too early to say if this is sustainable and therefore warrants a meaningful risk position yet, especially given market motion on the whole is actually generally still fairly weak.

Looking ahead we see four potential scenarios playing out from here over the next 12-18m, and we've tried to quantify them below. Clearly, we can't plot the exact details of each, but we wanted to provide some transparency of the type of exposures the models would generate in each scenario to help guide expectations. The information provided is broadly consistent with what has happened in the past.

The four scenarios are as follows

1. Recovery already fully priced – markets move sideways for foreseeable future as economics strengthen alongside stimulus being withdrawn

2. Stimulus fuelled recovery – continuation of conditions we've seen over the past few months, albeit at a more moderate pace

3. Short term weakness followed by stimulus driven rally – markets more realistically price the current economic reality and the uncertainty around it, but stimulus continues to act as support

4. Significant weakness followed by valuation reset – economic recovery much slower than is currently priced or stimulus withdrawn too early causing meaningful correction then recovery

Scenario	Approximate equity return (12-18 mths)	Expected macro and motion drivers	Expected allocation changes	Approximate strategy return (12-18 mths)
Recovery already fully priced	-5% to +5%	• Economic indicators continue to catch up with market prices although only remain modestly supportive • Valuations remain expensive but get more attractive as economics improve • Prices generally move sideways and motion not meaningfully supportive in either direction	• Minimal changes expected given lack of supportive macro and motion drivers • Remain mostly in relative value • Directional risk exposure remains <25% • Directional defensive exposure remains <100%	-2.5% to +5%
Stimulus fuelled recovery	+5% to +15%	• Economic, credit and volatility related macro factors improve over next 1-3m, favouring more directional risk exposure • Valuations extend into very expensive territory in short term until economics "catch up" and they revert to fair in time • Equity and credit motion continues to strengthen, aligning with macro, while defensives weaken	• Building into directional risk as macro and motion converge • Exposure likely to remain modest (<100% net long on risk) given stretched valuations until we get to a point of convergence • Defensives likely to reduce to around 0-50%	+5% to +10%
Short term weakness followed by stimulus driven rally	+5% to +15% but with c.10% correction during the period	• Similar to above but with short period of weakness • Macro factors take an extra month to recover as a result • Valuations touch more reasonable levels, though likely remain expensive • Equity and credit motion strengthens albeit slower than the above	• Building into directional risk as macro and motion converge • Period of weakness creates better valuation opportunity and subsequent exposure is higher as a result • >100% in directional risk • Defensives reduced to around 0-50%	+15% to +20%
Significant weakness followed by valuation reset	c.20% to 30% correction followed by 30% to 40% rally	• While longer term economic factors likely to improve from current levels, shorter term conditions remain weak • Valuations, however, get to a point where there is meaningful support despite near term macro weakness • Medium term motion factors weaken during sell off, but shorter-term motion turns strong in period following supporting tactical exposure given valuations	• Maintain current position until valuations approach cheap levels • Build into directional risk (max 200%) at point of cheap valuations AND as motion following the sell off recovers. • Defensives reduced to close to 0%	+20% to +30%

We believe these two scenarios are the most probable going forward

Source: River and Mercantile Investments Limited.

Simulated returns in USD. Simulated results are based on past performance of River and Mercantile's models with an allowance of LIBOR + 20bps for leverage costs but no allowance for ongoing costs and transaction costs which we conservatively estimate to be 1% p.a. Simulated performance is no indication of current or future performance. The value of investments and the income from them can fall as well as rise and you may not get back the full amount originally invested. Backtest returns are representative for the current Strategy models. The live fund may differ from that which the backtest is based upon. Changes in exchange rates may have an adverse effect on the value, price or income of investments.

A common theme here is that we expect exposures (and therefore returns) to remain reasonably modest until we get to an environment where macro and motion factors converge more conclusively.

The main way this is likely to happen is in valuations reverting closer to fair. As of now we're seeing equity valuations in the region of 10-20% overvalued and likely to get more so. As you can see from the scenarios, a reversion could come either as a result of a price correction (in the case of scenarios 3 and 4) OR a broad-based improvement in fundamental and economic data (in the case of 1 and 2). This is why it still makes sense to maintain modest exposure – the difference in paths towards fair value remains too wide to justify conclusively either way.

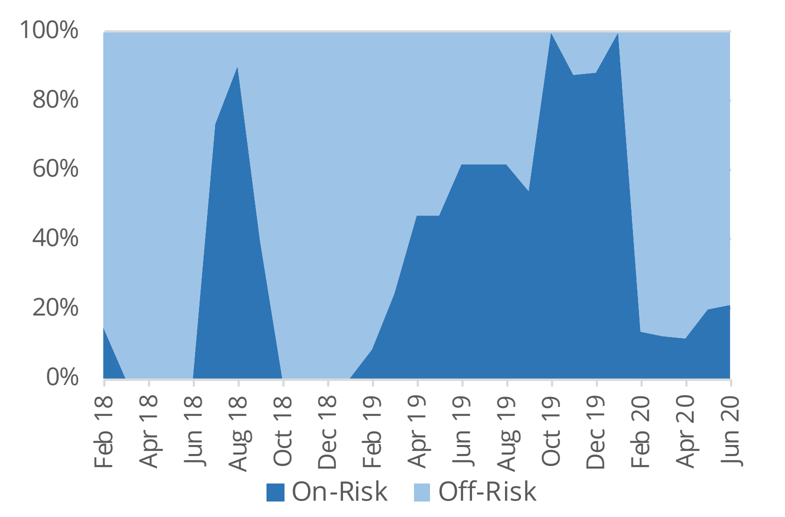
In terms of which of these are most likely, we'd lean more towards scenarios 3 and 4 for a few reasons. Firstly, credit conditions at some point have to re-connect with reality – current spread levels just aren't consistent with economic reality and that will have an effect on equities when it happens. Secondly, while economics are improving it will be some time before they're back to the levels we saw in late 2019/early 2020 – we need to see these sorts of levels to justify current valuations. And finally, the recent rally has been relatively narrow and in some key stocks we can see froth - high valuations for companies with no earnings and at least one case with no sales, more reminiscent of 1999 than anything else. In short, the recent recovery in equities hasn't been healthy and this doesn't give us confidence in it being sustainable.

While this amounts to an expectation that conditions could get more challenging from here, the opportunities it will create will be substantial.

Mike Faulkner and Joe Andrews
Portfolio Managers
July 2020

Risk indicator

This chart shows a proprietary indicator which is the primary driver of the fund's on/off risk allocations over the last 12 months.



Source: River and Mercantile Investments Limited.

Allocation by asset class

This table shows the fund's asset allocation by notional exposure.

Underlying Asset Class	Gross Notional Exposure	Net Notional Exposure
Bonds and Rates	91.9%	91.9%
Credit	12.2%	12.2%
Equity	97.2%	11.3%
Currency (vs USD)*	13.4%	-6.9%
Cash and Equivalents	109.6%	69.1%

Source: River and Mercantile Investments Limited.

Top 10 positions

This table shows the fund's ten largest positions by exposure.

	Gross Notional Exposure
Quality Relative Value	85.8%
United States Treasury Bill 0 13/08/2020	19.9%
United States Treasury Note/Bond 6.25 15/05/2030	18.3%
LONG GILT FUTURE Sep20	12.8%
CAN 10YR BOND FUT Sep20	12.7%
TSY I/L 4.125 22/07/2030	12.6%
EURO-BUND FUTURE Sep20	11.9%
S&P500 EMINI FUT SEP20	11.3%
US 10YR NOTE (CBT)Sep20	11.3%
United States Treasury Bill 0 16/07/2020	10.0%

Source: River and Mercantile Investments Limited.

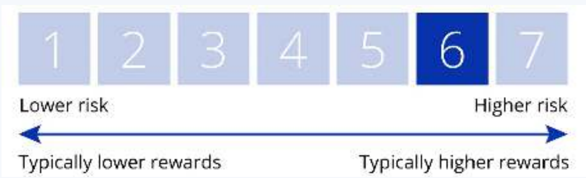
Fund information

Portfolio managers	Mike Faulkner and Joe Andrews
Management Co.	Carne Global Fund Managers (Ireland) Limited
Investment manager	River and Mercantile Investments Limited
Depositary	BNY Mellon Trust Company (Ireland) Limited
Fund launch date	25/01/2018
Fund base currency	USD
Domicile	Ireland
Fund type	UCITS
Entry charge	Nil
Exit charge	Nil
Ongoing charges	1.45% (1.0% AMC)
Performance fee	15% (of outperformance)
Dealing frequency	Weekly, Wednesday
Dealing cut-off time	Wednesday 4.30pm (Irish time)
Valuation	Wednesday 4.00pm (New York time)
Settlement	T+4
Minimum investment	USD 500k equivalent

Share classes

USD	Class A (Accumulation/Distribution), Class Y (Accumulation)
GBP	Class B (Accumulation/Distribution), Class Z (Accumulation)
JPY	Class C (Accumulation/Distribution), Class W (Accumulation)
CHF	Class U (Accumulation)
AUD	Class V (Distribution)
EUR	Class X (Accumulation)

Synthetic Risk & Reward Indicator (SRRI)



River and Mercantile Investments Global Macro Fund (the "Fund") is approved by the Central Bank of Ireland as a sub-fund of River and Mercantile Investments ICAV, an undertaking for collective investment in transferable securities in the legal form of open-ended Irish collective asset management vehicle, constituted as an umbrella fund with segregated liability between funds (the "ICAV").

Carne Global Fund Managers (Ireland) Limited manage the ICAV as UCITS management company and have delegated the discretionary investment management and distribution of the ICAV and the Fund to River and Mercantile Investments Limited. River and Mercantile Investments Limited is authorised and regulated in the United Kingdom by the Financial Conduct Authority (Firm Reference No. 195028; registered in England and Wales No. 3359127).

The information in this document has been prepared and issued by River and Mercantile Investments Limited. Investors should refer to the latest prospectus of the ICAV (as amended or supplemented) and relevant key investor information document(s) for the Fund for further information (available from our website at www.riverandmercantile.com).

The information and opinions contained in this document are subject to updating and verification and may be subject to amendment. Portions of this report are based on data provided by third parties whom River and Mercantile Investments Limited deem to be reliable; however, there is no guarantee as to the accuracy and completeness of the information. No representation, warranty, or undertaking, express or limited, is given as to the accuracy or completeness of the information or opinions contained in this document by River and Mercantile Investments Limited. Any references to specific securities do not constitute a recommendation to buy or sell such securities. The value of investments and any income generated may go down as well as up and is not guaranteed. An investor may not get back the amount originally invested. Past performance is not a reliable guide to future results. Changes in exchange rates may have an adverse effect on the value, price or income of investments.

Please note that any securities referred to in this document, including the Fund, may be held by the portfolio manager for the Fund and/or another member of the River and Mercantile Investments Limited investment team personally for their own accounts.

For UK investors: The Fund is registered as a "recognised scheme" for the purposes of Section 264 of the Financial Services and Markets Act 2000 (FSMA) of the United Kingdom and shares in the Fund may upon such registration be promoted and sold to the general public in the United Kingdom subject to compliance with FSMA and applicable regulations under FSMA. Potential investors in the United Kingdom should be aware that most of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Fund and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

For Italian investors: The shares have only been registered for the offer to Qualified Investors, as defined by Article 34-ter, paragraph 1, letter b of CONSOB Resolution no. 11971 of 14 May 1999, as amended from time to time, and have not been authorised for the offer to the public in Italy. Accordingly, no shares may be offered, sold or distributed, nor may copies of this document or of any other documentation relating to the shares be distributed, to investors other than Qualified Investors.

For Swiss investors: The Fund has not been licensed by the Swiss Financial Market Supervisory Authority (the "FINMA") for distribution to non-qualified investors pursuant to Article 120 Para. 1 to 3 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("CISA"). In addition, neither has a Swiss representative or a Swiss paying agency yet been appointed. Accordingly, units in the Fund may only be offered in or from Switzerland to regulated financial intermediaries such as banks, securities dealers, fund management companies, asset managers of CIS, central banks, as well as insurance institutions. Further, units in the Fund may only be sold under the exemptions of Article 3 Para. 2 CISA. Investors in units in the Fund do not benefit from the specific investor protection provided by CISA and the supervision by the FINMA in connection with the licensing for distribution.

For Australian investors: The Fund is not, and is not required to be, registered in Australia under the Corporations Act Cth 2001 ("Act"). This document is directed at professional clients only and in Australia may only be provided to be wholesale clients (as defined in section 761G of the Act) by River and Mercantile Asset Management LLP ("RAMAM") or its representatives, which includes River and Mercantile Investments Limited. RAMAM is exempt from the requirement to hold an Australian financial services licence and is regulated by the FCA under UK laws, which differ from Australian law. Retail clients should not rely on the information provided for this investment product. The ICAV prospectus is not a product disclosure document or prospectus under the Act.

For US Investors: This document is not an offer of securities and is not an offer to provide investment advisory services. For US investors, its purpose is to enable River and Mercantile LLC (R&M), a U.S. investment advisor, to present information about the Fund managed by its affiliated company, River and Mercantile Investments Limited (RAMIL). R&M seeks to present this information to a select number of U.S. institutional investors to evaluate the potential level of interest in a future offering of the Fund to U.S. investors by R&M or an affiliated U.S.-registered advisor. RAMIL is not registered in the U.S. as an investment adviser. As an investment fund that is not available to U.S. investors, information about the Fund is provided herein solely for illustrative purposes only, and do not reflect the potential structure, fees, expense levels and other material terms of any future U.S. offering.

RIVER AND MERCANTILE

MACRO