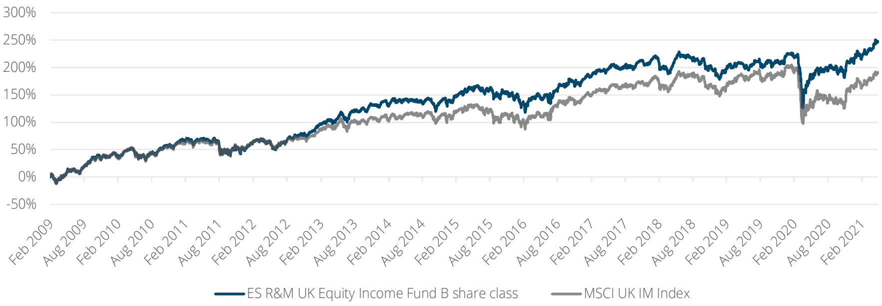
30 APRIL 2021

ES River and Mercantile
UK EQUITY INCOME FUND
CLASS B GBP (Income)

RIVER AND MERCANTILE

PAST PERFORMANCE
The chart and tables below show the performance of the fund's GBP B (Inc) share class since the launch of the share class on 3 February 2009.

Source: River and Mercantile Asset Management LLP. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.
Past performance is not a reliable guide to future results.

PERFORMANCE SINCE INCEPTION


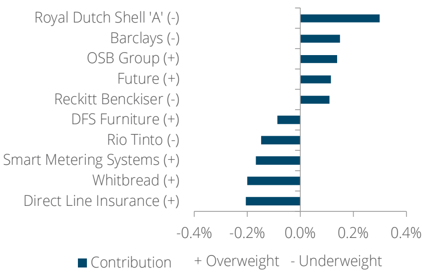
CUMULATIVE PERFORMANCE

	1 Month %	3 Months %	1 Year %	3 Years %	5 Years %	10 Years %	Since inception %
B share class (Inc)	3.7	10.2	20.7	10.0	39.9	104.0	246.9
MSCI UK IM Index	4.4	10.8	24.3	4.5	36.0	73.7	190.9

DISCRETE 12 MONTH PERFORMANCE

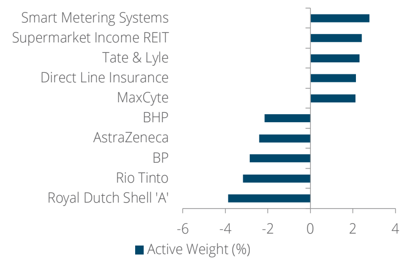
	12 months to 30/04/2017	12 months to 30/04/2018	12 months to 30/04/2019	12 months to 30/04/2020	12 months to 30/04/2021
B share class (Inc)	19.2%	6.7%	-2.5%	-6.5%	20.7%
MSCI UK IMI	20.1%	8.4%	2.5%	-18.0%	24.3%

TOP 5 PERFORMANCE CONTRIBUTORS & DETRACTORS
The best and worst contributors to the portfolio's performance relative to the benchmark



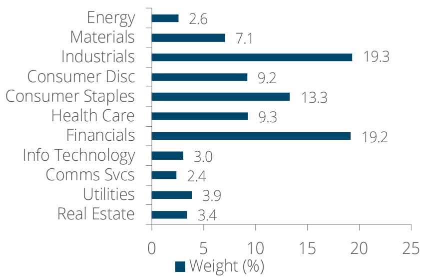
Source: River and Mercantile Asset Management LLP

TOP 5 OVERWEIGHTS & UNDERWEIGHTS
The securities in which the portfolio weight differs most from that of the benchmark



Source: River and Mercantile Asset Management LLP

SECTOR WEIGHTS
Portfolio weightings within specific industrial sectors.



Source: River and Mercantile Asset Management LLP

TOP 10 HOLDINGS
The ten largest positions by weight held in the portfolio.

	Weight (%)
Unilever	3.8
Diageo	3.6
Smart Metering Systems	2.8
Aviva	2.8
HSBC Holdings	2.7
National Grid	2.5
Tate & Lyle	2.5
RELX Group	2.5
Bunzl	2.4
GlaxoSmithKline	2.4

Source: River and Mercantile Asset Management LLP

INVESTMENT OBJECTIVE
To generate an average annual income above the dividend yield of the benchmark over a rolling 3-year period and achieve a total return (income and growth in the value of your investments (known as "capital growth")) above the total return of the benchmark over a rolling 5-year period, after the deduction of fees.

PORTFOLIO MANAGER
Daniel Hanbury

YIELD

Historic yield	3.23%
Current yield	3.71%

PORTFOLIO & RISK CHARACTERISTICS

Number of holdings	74
Fund Volatility	14.1%
Benchmark Volatility	14.3%
Beta	0.94
Active Money	64.9%

KEY FACTS

Fund launch date	03/02/2009
Share class launch date	03/02/2009
Benchmark	MSCI UK Investable Markets index
IA sector	UK Equity Income
Total fund size	£143.4m
Domicile	UK
Fund type	UK UCITS
SEDOL	B3KQG44
ISIN	GB00B3KQG447
Bloomberg	RMUKEIB
Distribution type	Income

FEES & CHARGES

Initial charge	Up to 5.25%
AMC	0.75%
Ongoing charge (including AMC)	0.89%

DEALING INFORMATION

Dealing frequency	Daily
Dealing cut-off time	12pm (UK)
Valuation point	12pm (UK)
Settlement	T+4
Minimum investment	£1000

SYNTHETIC RISK & REWARD INDICATOR (SRRI)

1	2	3	4	**5**	6	7

Lower risk — Higher risk

Typically lower rewards — Typically higher rewards

CONTACT DETAILS

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Email	enquiries@riverandmercantile.com

MARKET CAPITALISATION

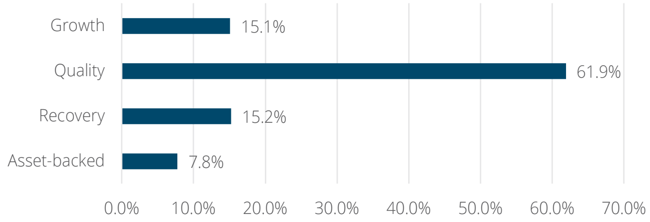
Comparison of portfolio and benchmark weightings across a range of sizes based on company value.

		Fund	Benchmark	Active
Mega Cap	£20bn +	28.9%	57.7%	-28.9%
Large Cap	£4bn - £20bn	22.7%	27.8%	-5.1%
Mid Cap	£2bn - £4bn	9.4%	7.7%	1.7%
Small Cap	£100m - £2bn	31.6%	6.8%	24.9%
Micro Cap	£0m - £100m	0.0%	0.0%	0.0%

Source: River and Mercantile Asset Management LLP

CATEGORIES OF POTENTIAL

The weighting of the portfolio across the four categories of potential, related to stages of a company's life cycle.



Source: River and Mercantile Asset Management LLP, excludes cash.

PORTFOLIO STYLE SKYLINE

This chart shows the Style Tilts of the portfolio against the benchmark as calculated by StyleAnalytics.

Source: StyleAnalytics

FUND RATINGS

ELITE PROVIDER™
rated for **equities** by FundCalibre.com
2021

SQUARE MILE
AA

ALPHA MANAGER 2021
Daniel Hanbury

RSMR
R
RATED FUND

FE CROWN FUND RATING

OTHER INFORMATION

Authorised Corporate Director	Equity Trustees Fund Services Limited
Investment manager	River and Mercantile Asset Management LLP
Depositary	The Bank of New York Mellon (International) Limited

MANAGER'S REVIEW

Investment background

Global equity markets continued their march higher in April (MSCI UK IMI +4.4% total return in GBP). Some better performing segments of the market year-to-date, particularly value factor indices, lagged in relative terms. Equity performance dynamics took their lead from bond markets, where the US 10-year treasury yield retrenched 11 basis points from recent highs. Commodities prices moved sharply higher again after consolidating in March (Brent oil +6% and copper +12%). These are amongst several input prices which are showing sharp year-on-year growth providing an inflationary environment in the near-term that central bankers continue to describe as 'transitory'. This is a an important underpin for the maintenance of ultra-loose monetary policy, with short rates close to zero.

Strategy update

Performance

Our fund returned 3.7% through the month, just behind of the benchmark up 4.4%. Year-to-date the fund is up 9% just behind the benchmark return of 10%. IMI was a positive contributor after announcing Q1 results which were significantly ahead of expectations and led to management upgrading its guidance for the year. More importantly, in terms of longer-term value, group sustainable margin guidance was increased to 18-20% from ~18% previously. OSB, Future and Smith & Nephew all recovered strongly during the period. Direct Line and Whitbread lagged.

Activity

After a busier than usual period of activity over the past year, this month there were no material new purchases or sales from the portfolio. However, inflows on the fund were used to top up some existing high conviction holdings. We continued to take profits in some of our industrial cyclical exposure, reducing our holding in Vesuvius – where we saw the potential for a sustainable re-rating of the equity as lower than other holdings – and reduced IMI into the strength mentioned above.

Outlook

Pandemic headlines continue to improve and the outlook for the UK economy is seeing confidence rapidly return as the latest Covid wave falls and the vaccines are successfully rolled out. The debate over the longevity of inflation is likely to rumble on over the summer. Share prices have moved a long way from the lows of 12 months ago and high valuations in the context of history for many (but certainly not all) assets suggest we should be prepared for volatility as markets try to price the baton change from early-cycle reflationary conditions to what comes next.

In this context, we still think the UK market remains relatively cheap despite the most recent rally. Valuation dispersion gaps, while closing, remain higher than in other regions on our preferred composite measure. This provides an attractive environment to blend our Growth, Quality, Recovery and Asset-backed categories. We are buying high quality undervalued stocks, where we believe growth will be stronger and dividends both re-instated and more sustainable than the market believes. We continue to execute on a sell discipline that enables us to recycle capital into new exceptional equity income investments.

Thank you for your interest and support through the eventful markets of the past 12 months.

Dan Hanbury
Portfolio Manager
May 2021