

# ES River and Mercantile DYNAMIC ASSET ALLOCATION FUND

CLASS B GBP (Accumulation)

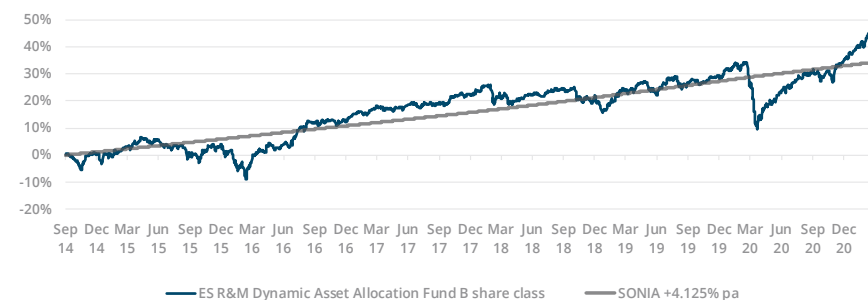
## PAST PERFORMANCE

The charts and tables below show the performance of the fund's GBP B (Acc) share class since the fund's inception date of 2 September 2014.

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

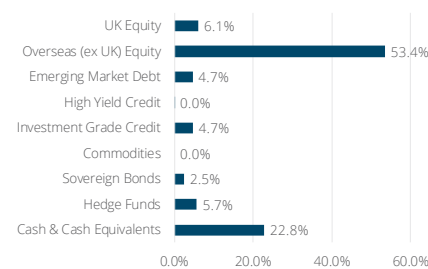
	1 month %	3 months %	1 year %	3 years %	5 years %	Since inception %
B share class (Acc)	0.6	5.2	12.7	15.4	45.1	41.2
Benchmark	0.3	1.0	4.3	14.8	25.4	34.3

## DISCRETE 12 MONTH PERFORMANCE

	12 months to 28/02/2017	12 months to 28/02/2018	12 months to 28/02/2019	12 months to 29/02/2020	12 months to 28/02/2021
B share class (Acc)	20.8%	4.1%	1.0%	1.4%	12.7%
Benchmark	4.5%	4.5%	4.8%	5.0%	4.3%

## ALLOCATION BY ASSET CLASS

This table shows the fund's asset allocation by portfolio weight.



Source: River and Mercantile Investments Limited

## TOP 10 POSITIONS

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

Position	Weight (%)
River and Mercantile Global Macro Z GBP Acc	5.7
Vanguard FTSE250 ETF	5.2
iShares S&P500 Materials Sector UCITS ETF	5.0
iShares S&P SmallCap 600 UCITS ETF	5.0
Invesco NASDAQ Biotech UCITS ETF	4.8
Neuberger Berman Global Flexible Credit Fund	4.7
Republic of South Africa Govt Bond 8.75% 28 Feb	4.7
Insight GBP Liquidity Fd	3.2
UK Gilt 0.625% 22 Oct 2050	2.5
SPDR S&P US Industrials Select Sector UCITS ETF	2.4

Source: River and Mercantile Investments Limited

RIVER AND MERCANTILE

## INVESTMENT OBJECTIVE

To achieve an average return (income and growth in the value of your investment (known as "capital growth")) of 4.125% per year above cash (based on the SONIA interest rate) (the "Benchmark") over a rolling 3-year period, after the deduction of all fees.

## PORTFOLIO MANAGERS

Mike Faulkner and Joe Andrews

## KEY FACTS

Fund launch date	02/09/2014
Share class launch date	02/09/2014
Benchmark	SONIA +4.125% p.a
Total fund size	£245.3m
Domicile	UK
Fund type	UK UCITS
SEDOL	BLZH7L2
ISIN	GB00BLZH7L20
Bloomberg	RMDAABA
Distribution type	Accumulation

## FEES & CHARGES

Initial charge	Up to 5.25%
Annual management charge	0.55%
Ongoing charge (includes AMC)	0.82%

## 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)



## MANAGER'S REVIEW

Bond yields rose throughout February, but do higher yields pose a threat to equities? We don't think so, for now, as yields are rising for the 'right' reasons. Improving growth expectations are causing yields to rise while credit spreads, the truer barometer of risk, are remaining tight.

Conditions are still accommodative for equities, and we continue to believe there is inflationary pressure, but it may be short lived while there is slack in the labour market. With equity valuations still lofty, market corrections are in the limelight. However, earnings growth has started to outweigh multiple expansion – the reverse of 2020 and a more sustainable way for company value to grow. This gives us comfort that improving economic conditions in the second half of 2021 will flow through to increased company earnings and ultimately to shareholders. As such, our preference for sectors and companies tied to the market cycle remains, albeit we have the ability to increase defensive exposure as and when volatility materialises. As vaccine rollouts gathered pace in February, we witnessed record flows into equity funds, most notably into the US. This stresses the importance of a dynamic equity allocation in order to divert away from crowded corners of the market and allocate to global companies outside of the U.S. with attractive risk and return trade-offs.

## PORTFOLIO CHANGES

We actively traded assets throughout February as further volatility materialised. We increased equity throughout the month while maintaining the cyclical bias within the portfolio, in particular with positions in materials, industrials, banks, and small cap companies. US Treasuries were reduced in favour of a South African government bond early in the month. We continued to be dynamic with our precious metals holdings, exiting silver early in the month before repurchasing towards month end and taking a tactical short-term position in nickel.

### Mike Faulkner and Joe Andrews

Portfolio Managers

March 2021

## FUND RATINGS



## OTHER INFORMATION

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

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