

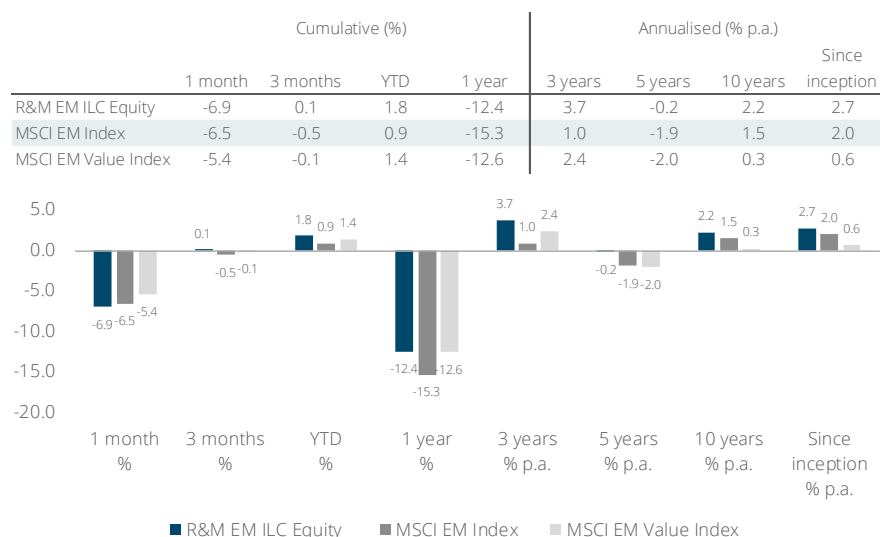
# River and Mercantile EMERGING MARKET ILC EQUITY FUND

28 FEBRUARY 2023

## PAST PERFORMANCE

The chart and tables below show the performance of the fund's USD EB (Acc) share class since 28 September 2012.

Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices. 28 September 2012 is the date that the current portfolio management team became responsible for the fund. Past performance is not a reliable guide to future results.



Source: River and Mercantile Asset Management LLP

## CALENDAR YEAR PERFORMANCE

Calendar Year	R&M EM ILC Equity %	MSCI EM Index %	MSCI EM Value Index %
2022	-17.7	-20.1	-15.8
2021	1.3	-2.5	4.0
2020	20.2	18.3	5.5
2019	17.2	18.4	12.0
2018	-13.1	-14.6	-10.7

Source: River and Mercantile Asset Management LLP

## TOP 5 PERFORMANCE CONTRIBUTORS

The most positive contributors to the portfolio's performance relative to the benchmark.

	Active avg. weight (%)	Relative contribution (%)
E-Ink Holdings	1.80	0.28
Meituan Dianping Class B	-1.28	0.23
JD.com, Inc. Class A	-0.86	0.17
Tencent	-4.48	0.17
Motor Oil (Hellas) Corinth Refs	1.13	0.15

Source: Factset

## TOP 5 PERFORMANCE DETRACTORS

The most negative contributors to the portfolio's performance relative to the benchmark.

	Active avg. weight (%)	Relative contribution (%)
Petro Rio	1.30	-0.20
Ganfeng Lithium Group	0.99	-0.18
Taiwan Semi Mfg	0.77	-0.16
PTT E&P	1.60	-0.15
Impala Platinum	0.78	-0.12

Source: Factset

## WEIGHT BY STAGE OF THE INDUSTRIAL LIFE CYCLE

A comparison of the portfolio's allocation to the different stages of the industrial life cycle versus the benchmark.

	R&M EM ILC Equity (%)	MSCI EM Index (%)
Growth	28.1	23.6
Cash cow	29.5	27.1
Fading winner	12.8	16.1
Restructuring	4.7	9.4
Financial	23.7	23.1

Source: River and Mercantile Asset Management LLP

## RIVER AND MERCANTILE

## INVESTMENT OBJECTIVE

To achieve the highest possible return in US dollars (Reference Currency), while taking due account of the principle of risk diversification, the security of the capital invested, and the liquidity of the invested assets.

## PORTFOLIO MANAGER

Alfred Bryant, CFA

## PORTFOLIO SIZE

Total fund size \$ 140.4m  
Strategy capacity \$ 5bn

## KEY FACTS

Manager start date 28/09/2012  
Benchmark MSCI Emerging Markets index  
IA sector Global Emerging Markets  
Domicile Luxembourg  
Fund type UCITS  
Legal form SICAV  
Currency USD  
ISIN LU1692110783  
SEDOL BLNPNX2  
Bloomberg CSGMEBU LX  
Distribution type Accumulation

## SFDR COMPLIANCE

Article 8 fund

## FEES & CHARGES

Initial charge Up to 3.00%  
AMC 0.35%  
Ongoing charge (including AMC) 0.89%

## DEALING INFORMATION

Dealing frequency Daily  
Dealing cut-off time 3pm (CET)  
Valuation point 3pm (CET)  
Settlement T+4  
Minimum investment £1000

## SYNTHETIC RISK & REWARD INDICATOR (SRRI)



Please refer to the KIID for more information with respect to the SSRI methodology

## CONTACT DETAILS

Email enquiries@riverandmercantile.com

## OTHER INFORMATION

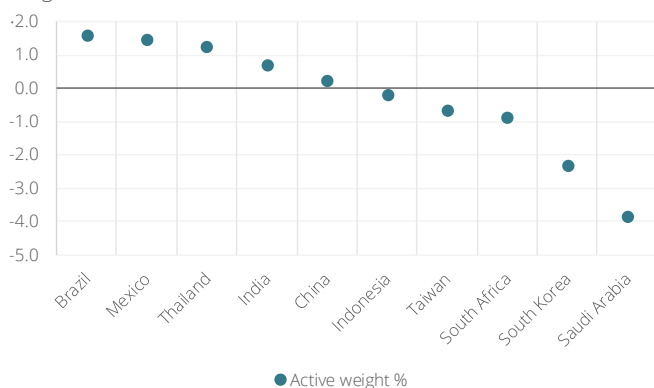
Management co. MultiConcept Fund Management SA  
Investment mgr. River and Mercantile Asset Management LLC  
Depositary Credit Suisse (Luxembourg) SA

## ALTERNATIVE SHARE CLASSES

Class Currency OCF  
PB GBP 0.76%

## ACTIVE COUNTRY WEIGHTS

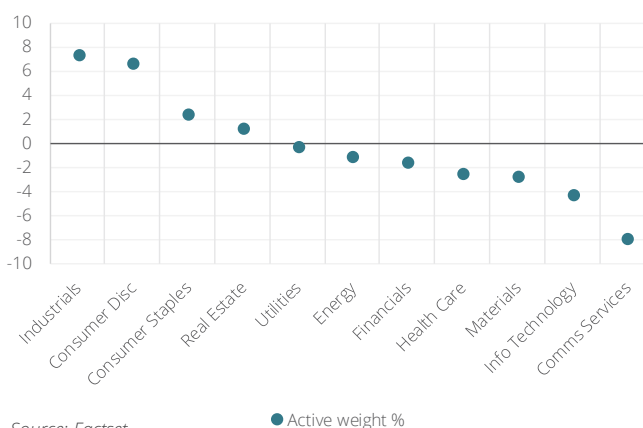
The fund's active weights across the benchmark's ten largest weighted countries.



Source: Factset

## ACTIVE SECTOR WEIGHTS

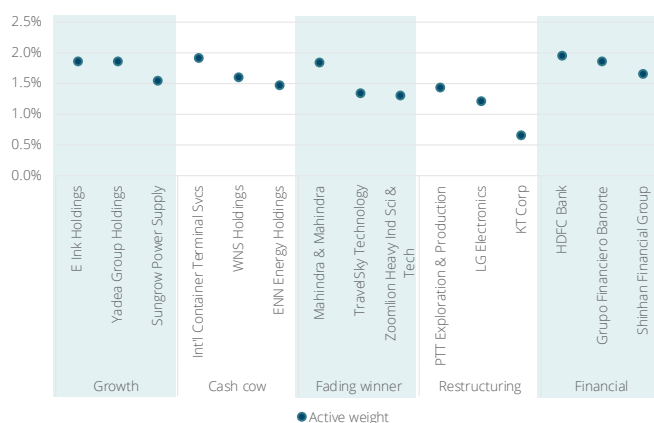
The fund's sector weights compared with its benchmark.



Source: Factset

## MOST ACTIVE HOLDINGS BY ILC STAGE

The largest positions by active weight in each ILC category.



Source: River and Mercantile Asset Management LLP

## FUND RISK CHARACTERISTICS

Characteristics of the portfolio compared to its benchmark.

	R&M EM ILC Equity	MSCI EM Index
Number of securities	80	1186
Number of 'off-benchmark' securities	30	0
NAV of 'off-benchmark' positions	36.22 %	0 %
Return on equity (ROE)	22.39 %	19.20 %
Return on invested capital (ROIC)	14.35 %	12.33 %
Price to earnings ratio (PE)	12.28	11.31
Price to book ratio (PB)	1.9	1.68
Dividend yield	2.78 %	2.85 %
Market Cap (USD, weighted average)	65.72 bn	93.77 bn

Source: River and Mercantile Asset Management LLP, Style Analytics

## INVESTMENT MANAGER'S COMMENTARY

Strong macroeconomic news in the US and rising geopolitical tensions between the US and China put a damper on risk assets in February. This unwound much of January's gains. The MSCI EM index declined 6.5%, leaving the year-to-date gain at +0.9%. The Fund experienced headwinds in South Africa and Brazil in the month, but remains up 1.8% year-to-date, ahead of the market by 93bps.

The largest impact of the market declines came from China, falling over 10%. The Fund's Chinese positions managed to eke out a small amount of protection, building on the alpha generated in January's rally. The underlying economic news from China continues to improve with February PMI, inflation and GDP forecasts keeping the country at the top of the economic ranking of our macro models. This retracement in share prices adds some helpful aggregate valuation potential. Chinese earnings season will be more complete for all capitalization categories by end of March and we anticipate the reports will provide some new opportunities.

South Africa has fallen swiftly on the economic potential index this month as the rolling electricity cuts have impacted production, demand, consumption, and corporate earnings. The economic potential of the COVID recovery there had us topping up the market last summer. The February earnings release of grocer Pick n Pay has been the bottom-up negative catalyst that mirrors the falling top-down inputs for the country. Cash earmarked for renovations and expansion is being diverted towards diesel fuel for generators, along with other ancillary expenses for power backup. Shoppers are understandably hesitant to make purchases that will spoil at home without the power to keep their refrigerators running. We have implemented country reductions as a whole, and at the time of writing, Pick n Pay is fully sold and we are now in an underweight position. There will eventually be renewal, and broad infrastructure investment from public and private sources to modernize and decarbonize the production and distribution of power. This should be an interesting investment theme. However, there are not presently any investable ideas in the local construction and engineering industry. We will continue to monitor this area for opportunity.

Petro Rio became a victim of Brazilian policy this month. A temporary tax has been proposed on the export of oil. This is aimed at making up for lost revenue from the reductions on taxes for domestic sales of gasoline and diesel. These reductions were part of the policy last year aimed at lowering pump prices for consumers. The reductions also usefully fed lower numbers into the inflation index. Our amber warnings from last month on Brazil had us trimming Petro Rio before this unexpected news. The company itself remains a compelling story. The outlook for broader policy adjustments in Brazil warrants heightened caution.

**Alfred Bryant, CFA**

Portfolio Manager

March 2023

## RISK

The Fund's risk and reward profile does not reflect the risk inherent in future circumstances that differ from what the Fund has experienced in the recent past. This includes the following events which are rare but can have a large impact.

- Credit risk: Issuers of assets held by the Fund may not pay income or repay capital when due. The Fund's investments have low credit risk.
- Liquidity risk: Assets cannot necessarily be sold at limited cost in an adequately short timeframe. The Fund's investments may be prone to limited liquidity.

The Fund will endeavour to mitigate this risk by various measures.

- Counterparty risk: Bankruptcy or insolvency of the Fund's derivative counterparties may lead to payment or delivery default.
- Operational risk: Deficient processes, technical failures or catastrophic events may cause losses.
- Political and Legal risks: Investments are exposed to changes of rules and standards applied by a specific country. This includes restrictions on currency convertibility, the imposing of taxes or controls on transactions, the limitations of property rights or other legal risks. Investments in less developed financial markets may expose the Fund to increased operational, legal and political risk.

## IMPORTANT INFORMATION

This document is aimed at professional investors only.

River and Mercantile Emerging Market ILC Equity Fund (the "Fund") is a sub-fund of River and Mercantile Investment Funds (the "SICAV"), an investment company with variable capital established in Luxembourg as an umbrella fund with segregated liability between sub-funds.

MultiConcept Fund Management S.A. acts as manager to the SICAV and has delegated the discretionary investment management of the Fund to River and Mercantile Asset Management LLC ("R&M LLC") and the distribution of the Fund to River and Mercantile Asset Management LLP ("RAMAM"). R&M LLC has been approved by the Commission de Surveillance du Secteur Financier to act as investment manager to the Fund and is registered with the US Securities and Exchange Commission (SEC) as an investment advisor. RAMAM is authorised and regulated in the United Kingdom by the Financial Conduct Authority (Firm Reference No. 453087) and is registered in England (Company No. OC317647). R&M LLC and RAMAM are both subsidiaries of River and Mercantile Group Limited which is registered in England (Company No. 04035248) with its registered office at 30 Coleman Street, London, EC2R 5AL.

For further information on the Fund including the specific risks and the overall risk profile of the Fund, as well as the share classes within, please refer to the Fund's Prospectus and Key Investor Information Documents (KIIDs) (available from [riverandmercantile.com](http://riverandmercantile.com)).

The original version of the Prospectus is in English; however, it may be translated into other languages free of charge.

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.

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