

# River and Mercantile EMERGING MARKET ILC EQUITY FUND

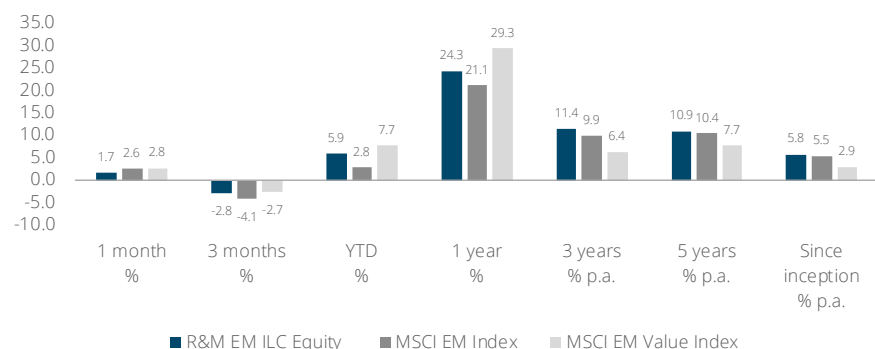
31 AUGUST 2021

## 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.

	Cumulative (%)				Annualised (% p.a.)		
	1 month	3 months	YTD	1 year	3 years	5 years	Since inception
R&M EM ILC Equity	1.7	-2.8	5.9	24.3	11.4	10.9	5.8
MSCI EM Index	2.6	-4.1	2.8	21.1	9.9	10.4	5.5
MSCI EM Value Index	2.8	-2.7	7.7	29.3	6.4	7.7	2.9



Source: River and Mercantile Asset Management LLP

## CALENDAR YEAR PERFORMANCE

Calendar Year	R&M EM ILC Equity %	MSCI EM Index %	MSCI EM Value Index %
2020	20.2	18.3	5.5
2019	17.2	18.4	12.0
2018	-13.1	-14.6	-10.7
2017	33.1	37.3	28.1
2016	12.4	11.2	14.9

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 (%)
Chailease Holding Co.	1.44	0.29
Alibaba Group	-1.76	0.28
Xinyi Glass	1.97	0.24
Yunnan Energy New Mat Co	1.78	0.19
Kunlun Energy	1.03	0.19

Source: Factset

## TOP 5 PERFORMANCE DETRACTORS

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

	Active avg. weight (%)	Relative contribution (%)
Taiwan Semi Mfg	-0.26	-0.31
Impala Platinum	1.34	-0.25
Shenzhen Mindray Bio-Med	1.07	-0.25
CAP	1.09	-0.21
Ping an Insurance	1.24	-0.18

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	21.6	24.1
Cash cow	35.5	27.4
Fading winner	10.5	14.7
Restructuring	8.3	9.1
Financial	21.3	20.9

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 \$ 120m  
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 CSGEMBU LX  
Distribution type Accumulation

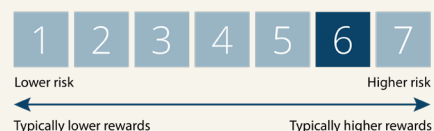
## FEES & CHARGES

Initial charge Up to 3.00%  
AMC 0.50%  
Ongoing charge (including AMC) 0.92%

## 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 (SRI)



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

## CONTACT DETAILS

Email enquiries@riverandmercantile.com

## OTHER INFORMATION

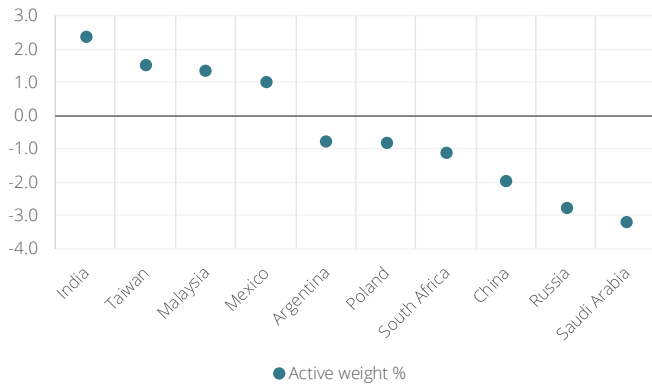
Management co. MultiConcept Fund Management SA  
Investment mgr. River and Mercantile LLC  
Depositary Credit Suisse (Luxembourg) SA

## ALTERNATIVE SHARE CLASSES

Class PB Currency GBP OCF 0.85%

## ACTIVE COUNTRY WEIGHTS

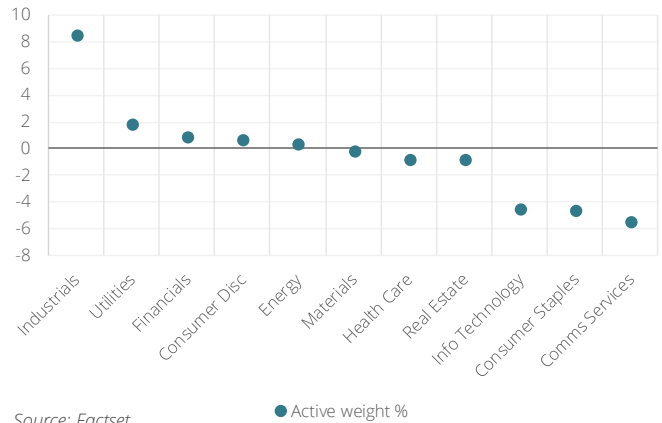
The fund's largest active country weights vs its benchmark.



Source: Factset

## ACTIVE SECTOR WEIGHTS

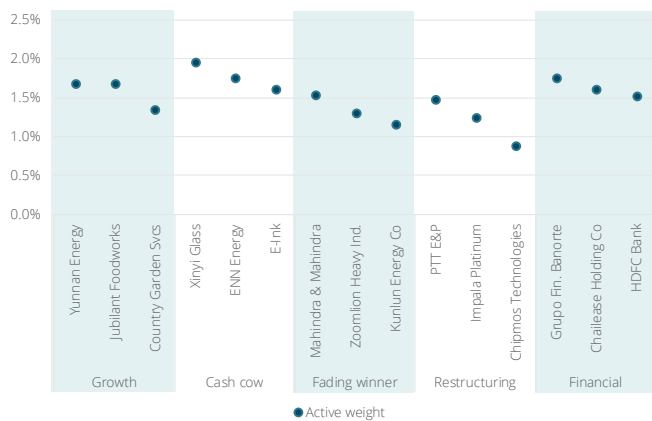
The fund's sector weights compared with its benchmark.



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	79	1407
Number of 'off-benchmark' securities	30	0
NAV of 'off-benchmark' positions	41.14	0
Return on equity (ROE)	16.17	14.07 %
Return on invested capital (ROIC)	11.42	10.26 %
Price to earnings ratio (PE)	15.31	18.64
Price to book ratio (PB)	1.88	2.16
Dividend yield	2.35	2.07 %
Market Cap (USD, weighted average)	106.56 bn	134.23 bn

Source: River and Mercantile Asset Management LLP, Style Analytics

## INVESTMENT MANAGER'S COMMENTARY

Emerging Market equities offered modest gains in August after a difficult July. The MSCI EM index gained 2.6% and the Fund rose 1.7%. This leaves the Fund up 5.9% for the year to date against the index at 2.8%. August return outcomes came down to a few areas; allocation and composition to China, South Asia, and Financials.

The Chinese Government's campaign of "common prosperity" continued to weigh on large cap digital assets, but the Chinese index remained flat after falling nearly 14% in July. Our underweight to China remains intact, and our differentiated stock selection there continued to add to our results for the year to date.

South Asia has been a COVID hotspot for much of this year, but new infection cases have begun rolling over and this has helped spur a recovery in local markets. India gained 11% in August and leads the major EM markets for the year to date at 26%. India's combination of improving economics and ample investment ideas have led us to an overweight in the country, with ideas across the maturity spectrum. Growth ideas include Jubilant Food, Gujarat Gas sits in the Cash Cow segment, and Mahindra fills out the late stage group.

Our Malaysian and Philippine positions staged a comeback in August. Returns were supported by our infrastructure/port operators Westport and International Container. Pricing power is evident with both companies as global supply chains adapt and re-orient with manufacturing pivots, labour shortages, and COVID outbreaks.

The EM Financials sector is the second largest at 19% of index NAV, and August provided a momentum lift to performance. The cyclical value rally that dominated the early part of the year had noticeably left Financials behind. Economic growth is recovering, rates are rising in certain markets. These are positive indicators for loan growth and profits for banks.

We added Shriram Transport Financial of India to the portfolio during the month. This is a leading non-bank lender focused on providing loans to small business owners for the purchase of new and used commercial vehicles. The company has a 40-year history of successful growth, and India's gradual reopening and sustained infrastructure spending should provide a tail wind for future value creation.

**Alfred Bryant, CFA**

Portfolio Manager

September 2021

## 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 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 PLC 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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