



RIVER AND MERCANTILE

# ES RIVER AND MERCANTILE UK EQUITY SMALLER COMPANIES FUND

Quarterly report to 30 June 2021

*For unitholders only*

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Quarter 2, 2021

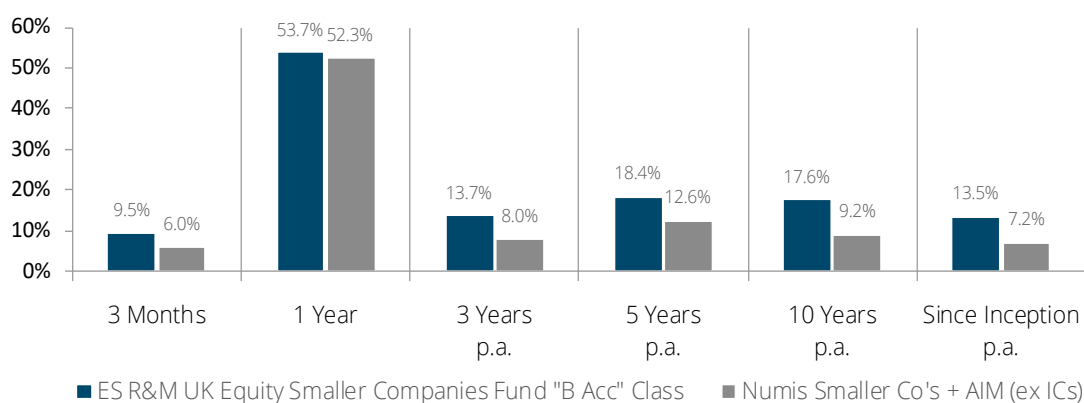
RIVER AND MERCANTILE

## INVESTMENT OBJECTIVE

To grow the value of your investment (known as "capital growth") in excess of the MSCI UK Investable Market Index (IMI) Net Total Return (the "Benchmark") over a rolling 5-year period, after the deduction of fees.

## PERFORMANCE (NET OF FEES)

	Fund	Index	Difference
3 Months	9.5%	6.0%	3.5%
1 Year	53.7%	52.3%	1.4%
3 Years p.a.	13.7%	8.0%	5.7%
5 Years p.a.	18.4%	12.6%	5.9%
10 Years p.a.	17.6%	9.2%	8.4%
Since Inception p.a.	13.5%	7.2%	6.4%



	Fund	Index	Difference
3 Years (cumulative)	47.1%	26.1%	20.9%
5 Years (cumulative)	133.1%	80.9%	52.3%
10 Years (cumulative)	406.1%	141.3%	264.7%
Since inception (cumulative)	537.1%	174.6%	362.6%

Source: River and Mercantile Asset Management LLP. Benchmark is the Numis Smaller Companies plus AIM (excluding Investment Companies) index, net GBP. Fund performance shown is of B share class (accumulation units) and is calculated using the midday published price, net of an annual management charge of 0.75% per annum. Please note that the benchmark performance is calculated using close of business mid-market prices. Other share classes may be available.

**Past performance is not a reliable indicator of future results.**

## PORTFOLIO SUMMARY AND KEY RISK CHARACTERISTICS

Fund AUM	£577m	Portfolio beta	0.90
Strategy capacity	£750m	Tracking error	4.80 %
Inception date	30/11/2006	Active money	82.32 %
Number of stocks	75		

Source: River and Mercantile Asset Management LLP, StyleAnalytics

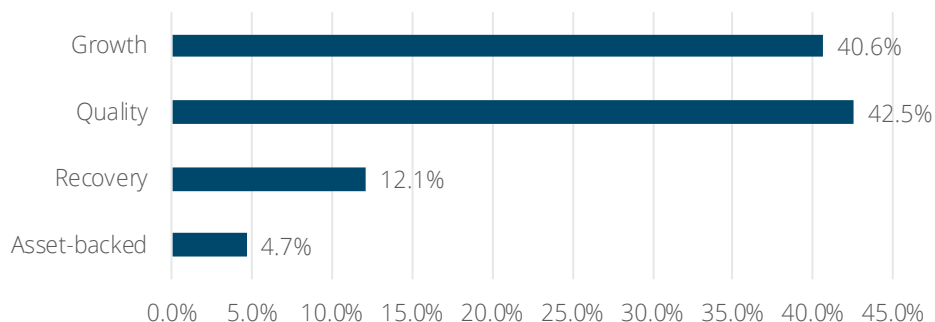
## SYNTHETIC RISK AND REWARD INDICATOR



The Synthetic Risk and Reward Indicator (SRRI) is based on how much the returns of the shares have varied over the last five years, or since launch (whichever is the shorter period). The higher the rank the greater the potential reward but also the greater the risk of losing money.

## PVT CATEGORIES OF POTENTIAL

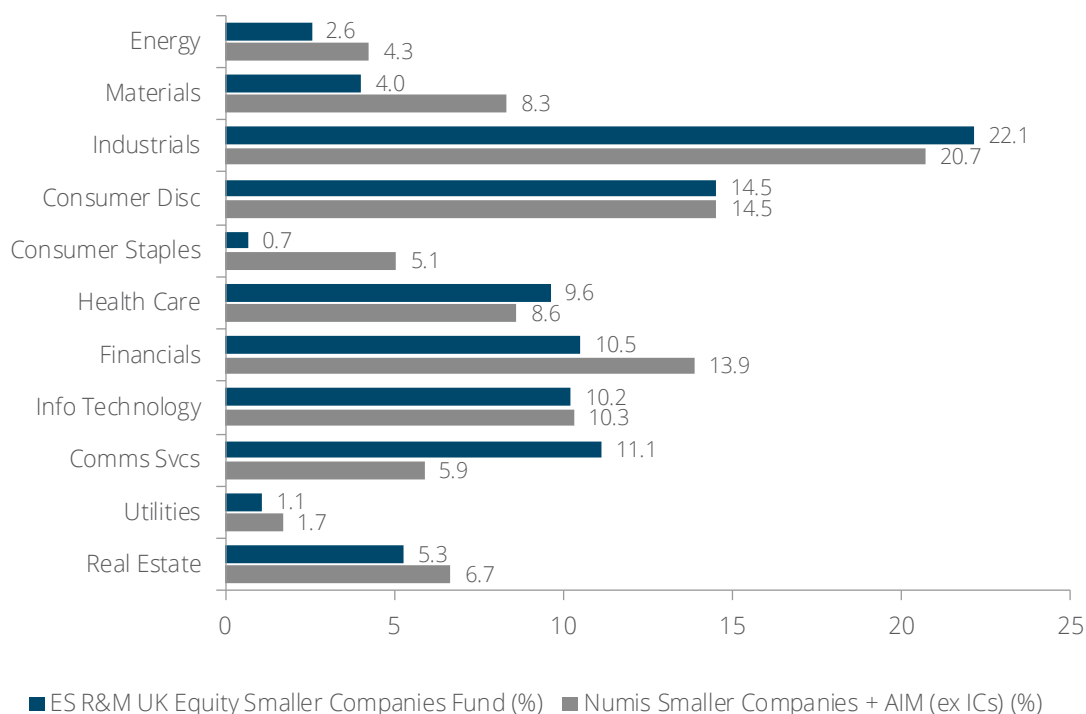
This chart shows the weighting of the fund's holdings across the four categories of Potential, related to the stages of a company's life cycle, as defined within the R&M investment philosophy known as 'PVT' – Potential, Valuation, Timing.



Source: River and Mercantile Asset Management LLP

## INDUSTRIAL SECTOR WEIGHTS

This graph shows a comparison of fund and benchmark weightings across the industrial sectors classified by the MSCI Global Industry Classification Standard (GICS).



Source: FactSet

## MARKET CAP DISTRIBUTION

This table shows a comparison of fund and benchmark weightings across a range of company values

		Fund	Benchmark	Active
Mega Cap	£20bn +	0.0%	0.0%	0.0%
Large Cap	£4bn - £20bn	0.0%	0.0%	0.0%
Mid Cap	£2bn - £4bn	5.8%	1.7%	4.1%
Small Cap	£100m - £2bn	85.5%	91.7%	-6.2%
Micro Cap	£0m - £100m	0.5%	6.7%	-6.2%

Source: River and Mercantile Asset Management LLP. Excludes cash and any applicable ETF positions.

## TOP 10 ACTIVE POSITIONS VS THE BENCHMARK

This table highlights the securities in which the fund weight differs most from that of the benchmark, with the 'overweights' showing 10 securities with the greatest weight difference above the benchmark's position, and the 'underweights' showing 10 securities with the greatest weight difference below the benchmark's position. The difference is known as the 'active weight'.

Overweights	Sector	Fund	%	
			Benchmark	Active
Smart Metering Systems	Industrials	3.31	0.38	2.93
MaxCyte	Health Care	2.69	0.24	2.45
Gamma Communications	Communications Services	2.30	0.00	2.30
Strix	Information Technology	2.51	0.26	2.26
Future	Communications Services	2.05	0.00	2.05
Supermarket Income REIT	Real Estate	2.03	0.00	2.03
OSB Group	Financials	1.93	0.00	1.93
Moonpig	Consumer Discretionary	1.74	0.00	1.74
Alliance Pharma	Health Care	1.80	0.21	1.60
R&M UK Micro Cap Investment Co	Financials	1.57	0.00	1.57

Underweights	Sector	Fund	%	
			Benchmark	Active
Investec	Financials	0.00	0.80	-0.80
Gamesys Group	Consumer Discretionary	0.00	0.80	-0.80
Watches of Switzerland	Consumer Discretionary	0.00	0.79	-0.79
PageGroup	Industrials	0.00	0.73	-0.73
Micro Focus	Information Technology	0.00	0.73	-0.73
Breedon Group	Materials	0.00	0.72	-0.72
Hammerson	Real Estate	0.00	0.66	-0.66
CVS Group	Health Care	0.00	0.66	-0.66
Savills	Real Estate	0.00	0.66	-0.66
National Express Group	Industrials	0.00	0.65	-0.65

Source: FactSet

## TOP 10 HOLDINGS

This table shows the fund's ten largest holdings.

	Weight (%)
Smart Metering Systems	3.3
MaxCyte	2.7
Strix	2.5
Gamma Communications	2.3
Future	2.0
Supermarket Income REIT	2.0
OSB Group	1.9
Biffa	1.9
EMIS	1.8
Halfords	1.8

Source: River and Mercantile Asset Management LLP

## PORTFOLIO STYLE SKYLINE

This graph shows the Style Tilts<sup>TM</sup> of the fund against the benchmark as calculated by StyleAnalytics, highlighting stylistic differences between the fund and its benchmark.



Source: StyleAnalytics

## STOCK LEVEL PERFORMANCE ATTRIBUTION

This table shows the best and worst contributors to the fund's performance relative to the benchmark. The average active weight highlights whether the fund held a larger or smaller position in a stock than the benchmark did, on average over the period. As performance is relative to the benchmark, outperformance of the benchmark can come from the fund holding a larger position than the benchmark in a stock that performs well, or a lower position than the benchmark (or even a zero holding) in a stock that performs poorly. The contribution to active return is the return that the position has contributed relative to the benchmark.

Greatest Positive Contribution	Average Active Weight	Contribution to Active Return
Future	2.06%	0.95%
Gamma Communications	2.15%	0.31%
Alpha Fin Mkts Consulting	1.18%	0.29%
Sigma Capital Group	1.07%	0.28%
Strix	2.28%	0.27%
Reach	1.22%	0.27%
Shanta Gold	0.91%	0.23%
Liontrust Asset Mgmt.	0.77%	0.21%
Biffa	1.15%	0.19%
Learning Technologies	1.05%	0.19%
Greatest Negative Contribution	Average Active Weight	Contribution to Active Return
On the Beach Group	0.94%	-0.28%
Clinigen	0.16%	-0.18%
Aptitude Software Group	0.71%	-0.17%
Team17 Group	0.97%	-0.17%
Diversified Energy	1.58%	-0.17%
Impax Asset Management	-0.53%	-0.16%
Investec	-0.77%	-0.16%
MaxCyte	2.35%	-0.14%
Watches of Switzerland	-0.71%	-0.13%
Boku	1.16%	-0.13%

Source: FactSet

## BROKER COMMISSIONS ANALYSIS

Counterparty	Total (£)	Commission Paid (£)
		Execution Only
ABG SUNDAL COLLIER	0.00	0.00
ATLANTIC SECURITIES	0.00	0.00
BANCO ITAU	0.00	0.00
BARCAP	2,738,892.98	2,191.12
BERENBERG	9,531,902.23	7,546.70
BMO	0.00	0.00
BTG PACTUAL	0.00	0.00
CANACCORD ALGO	103,004.75	41.20
CANACCORD GENUITY	7,584,528.97	6,067.62
CENKOS	606,500.00	485.20
CITI PROG	0.00	0.00
CITIGROUP	801,462.83	641.17
CLSA	0.00	0.00
CREDIT SUISSE	1,719,021.69	1,375.23
DEUTSCHE BANK	0.00	0.00
EXANE	677,232.50	541.79
FINNCAP	78,738.20	63.00
GBM	0.00	0.00
GOLDMAN SACHS	0.00	0.00
GOODBODY	185,000.00	148.00
HSBC	59,896.63	47.91
ING	0.00	0.00
INSTINET	371,484.09	297.19
INVESTEC	14,289,419.12	11,437.77
ITG	11,209,034.12	6,730.32
ITG ALGO	0.00	0.00
ITG EURO	701,000.00	140.20
J&E DAVY	0.00	0.00
JANE STREET	0.00	0.00
JEFFERIES	2,576,986.35	2,061.59
JEFFERIES ALGO	0.00	0.00
JPMORGAN CHASE	5,202,974.27	4,162.39
KEPLER CHEUVREUX	1,435,487.50	1,148.39
LIBERUM	3,010,351.54	2,408.28
LIQUIDNET	20,529,032.84	12,713.65
MEDIOBANCA	0.00	0.00
MIZUHO	0.00	0.00
MORGAN STANLEY	0.00	0.00
NORTHERN TRUST CORP	0.00	0.00
NPLUS1 SINGER	7,471,706.54	6,221.03
NUMIS	26,522,934.19	20,226.37
PANMURE GORDON	5,345,252.52	4,409.58
PEEL HUNT	22,642,785.86	19,992.49
RAYMOND JAMES	0.00	0.00
RBC	506,821.84	405.46
RBC ALGO	0.00	0.00
REDBURN	1,993,131.05	1,590.16
SANFORD BERNSTEIN	0.00	0.00
SANTANDER	0.00	0.00
SHORE CAPITAL	1,371,920.20	1,097.54
SOCIETE GENERALE	0.00	0.00
STIFEL EUROPE	852,250.00	681.80
STIFEL NICOLAUS	0.00	0.00
SUSQUEHANNA INTERNATIONAL GROUP	0.00	0.00
UBS	0.00	0.00
UBS PROG	0.00	0.00
WINTERFLOOD	132,400.00	81.42
FLOWTRADERS	0.00	0.00
CONFIRMED FUND PRICE	0.00	0.00
OPTIVER	0.00	0.00
BANK OF MONTREAL	0.00	0.00
BTIG	2,705,423.80	2,164.34
CITADEL INVESTMENT GROUP L.L.C.	0.00	0.00
BRBNPMS	0.00	0.00
STIFEL FINANCIAL CORP	1,470,028.69	533.59
CITI UK	0.00	0.00
LIQUIDNET ALGO	44,225.90	13.27
	£ 154,470,831.20	£ 117,665.77

### Firm Wide Comparators

All Equity Trading	£	2,262,236,036.54	£638,966.08
Trades:	£	154,470,831.20	£117,665.77
Average Firm-Wide Commission Rate (%)			0.03%
Average Commission Rate (%)			0.08%

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