



RIVER AND MERCANTILE

# ES RIVER AND MERCANTILE UK DYNAMIC EQUITY FUND

Quarterly report to 31 December 2021

*For unitholders only*

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Quarter 4, 2021

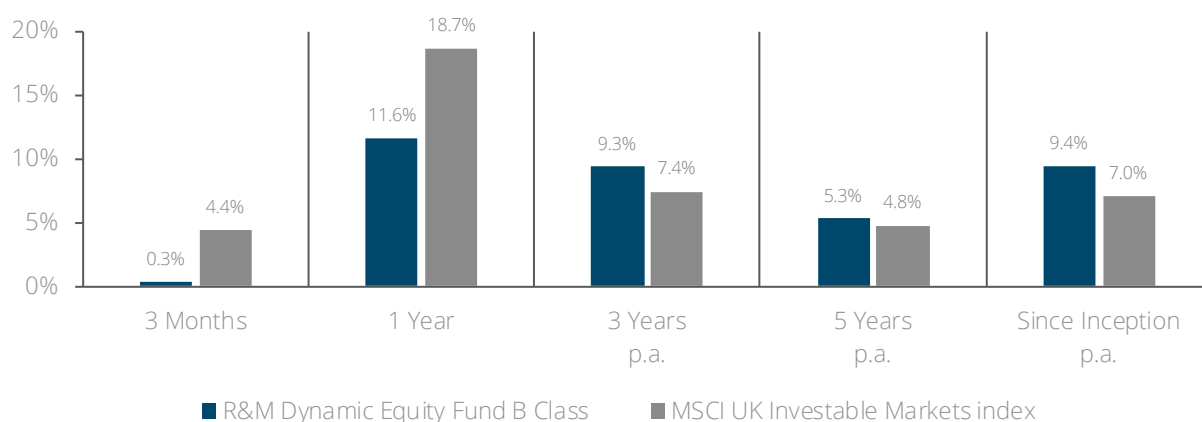
RIVER AND MERCANTILE

## INVESTMENT OBJECTIVE

To grow the value of your investment (known as “capital growth”) in excess of the MSCI United Kingdom 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	Benchmark	Difference
3 months	0.3%	4.4%	-4.1%
1 year	11.6%	18.7%	-7.1%
3 years (p.a.)	9.3%	7.4%	1.9%
5 years (p.a.)	5.3%	4.8%	0.5%
Since Inception (p.a.)	9.4%	7.0%	2.3%



	Fund	Benchmark	Difference
3 years (cumulative)	30.7%	23.9%	6.7%
5 years (cumulative)	29.3%	26.4%	2.9%
Since inception (cumulative)	125.9%	85.3%	40.6%

Source: River and Mercantile Asset Management LLP. Benchmark is the MSCI UK Investable Market 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	£80m	Portfolio volatility	15.7 %
Strategy capacity	£2bn	Benchmark volatility	13.9 %
Inception date	22/03/2007	Portfolio beta	1.08
Number of stocks	50	Tracking error	4.7 %
		Active money	78.0 %

Source: River and Mercantile Asset Management LLP, StyleAnalytics

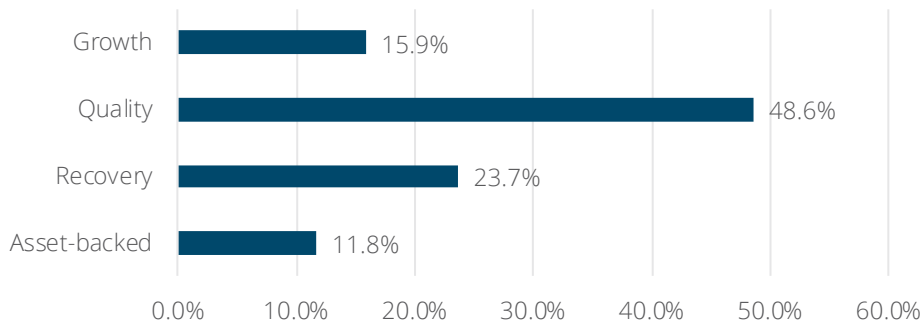
## SYNTHETIC RISK AND REWARD INDICATOR



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

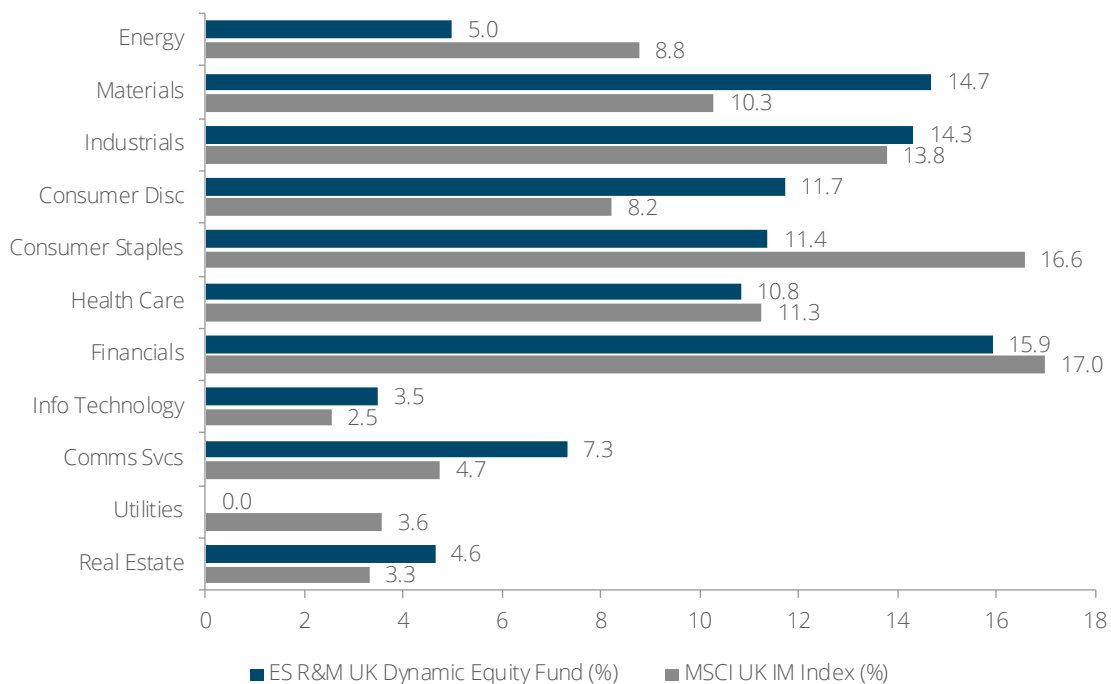
This chart shows the weighting of the fund's holdings across the four categories of Potential, related to the stages of a company's life cycle, as defined within the R&M investment philosophy known as 'PVT' – Potential, Valuation, Timing.



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 +	32.9%	59.9%	-27.0%
Large Cap	£4bn - £20bn	25.8%	26.2%	-0.4%
Mid Cap	£2bn - £4bn	7.0%	6.8%	0.3%
Small Cap	£100m - £2bn	33.5%	7.1%	26.4%
Micro Cap	£0m - £100m	0.0%	0.0%	0.0%

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
Sanofi	Health Care	3.20	0.00	3.20
Auto Trader	Communication Services	3.14	0.31	2.83
WPP	Communication Services	3.35	0.58	2.77
888 Holdings	Consumer Discretionary	2.82	0.05	2.77
Conduit Holdings	Financials	2.75	0.00	2.75
Natwest Group	Financials	3.31	0.57	2.74
DFS Furniture	Consumer Discretionary	2.48	0.00	2.48
Mondi	Materials	2.85	0.39	2.46
Chemring	Industrials	2.47	0.04	2.44
Whitbread	Consumer Discretionary	2.62	0.26	2.35

Underweights	Sector	Fund	%	
			Benchmark	Active
Diageo	Consumer Staples	0.00	4.12	-4.12
HSBC Holdings	Financials	0.00	4.01	-4.01
GlaxoSmithKline	Health Care	0.00	3.53	-3.53
BP	Energy	0.00	2.91	-2.91
Unilever	Consumer Staples	1.77	4.48	-2.71
British American Tobacco	Consumer Staples	0.00	2.61	-2.61
Rio Tinto	Materials	0.00	2.40	-2.40
Royal Dutch Shell 'A'	Energy	3.24	5.52	-2.28
BHP	Materials	0.00	2.03	-2.03
RELX Group	Industrials	0.00	2.03	-2.03

Source: FactSet

## TOP 10 HOLDINGS

This table shows the fund's ten largest holdings.

	Weight (%)
AstraZeneca	3.9
WPP	3.4
Natwest Group	3.3
Tesco	3.3
Royal Dutch Shell 'B'	3.2
Sanofi	3.2
Auto Trader	3.1
Anglo American	3.0
Mondi	2.9
888 Holdings	2.8

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
Auto Trader	2.58%	0.46%
Essentra	1.44%	0.32%
WPP	2.73%	0.23%
Anglo American	1.84%	0.19%
Moonpig	1.42%	0.18%
BP	-3.11%	0.17%
Tesco	1.74%	0.17%
AstraZeneca	-2.14%	0.17%
Electrocomponents	1.73%	0.14%
Unilever	-2.80%	0.14%

Greatest Negative Contribution	Average Active Weight	Contribution to Active Return
888 Holdings	3.23%	-1.34%
Chemring	3.07%	-0.39%
HSBC Holdings	-3.96%	-0.38%
GlaxoSmithKline	-3.42%	-0.36%
Whitbread	2.43%	-0.35%
ConvaTec Group	2.00%	-0.32%
Diageo	-3.96%	-0.28%
Conduit Holdings	2.00%	-0.25%
National Grid	-1.57%	-0.24%
Ferguson	-1.16%	-0.24%

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	457,689.06	310.51
BERENBERG	0.00	0.00
BTG PACTUAL	0.00	0.00
CANACCORD ALGO	1,482,370.06	592.94
CANACCORD GENUITY	161,556.54	129.25
CENKOS	0.00	0.00
CITI PROG	0.00	0.00
CITIGROUP	287,932.00	172.76
CLSA	0.00	0.00
CREDIT SUISSE	176,766.99	141.42
DEUTSCHE BANK	0.00	0.00
EXANE	0.00	0.00
FINNCAP	0.00	0.00
GBM	0.00	0.00
GOODBODY	238,350.00	190.68
HSBC	171,727.50	137.38
ING	0.00	0.00
INSTINET	0.00	0.00
INVESTEC	1,288,164.22	1,030.52
ITG	1,031,626.99	618.98
ITG ALGO	0.00	0.00
ITG EURO	0.00	0.00
J&E DAVY	593,297.50	415.72
JANE STREET	0.00	0.00
JEFFERIES	1,345,152.30	1,012.74
JEFFERIES ALGO	300,931.29	120.37
JPMORGAN CHASE	1,753,215.30	1,180.33
KEPLER CHEUVREUX	506,341.00	303.81
LIBERUM	0.00	0.00
LIQUIDNET	3,472,194.95	2,080.52
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	36,017.01	28.81
NUMIS	1,143,538.58	914.84
PANMURE GORDON	873,720.00	698.98
PEEL HUNT	226,850.09	181.48
RAYMOND JAMES	0.00	0.00
RBC	123,400.00	98.72
RBC ALGO	288,349.46	115.34
REDBURN	0.00	0.00
SANFORD BERNSTEIN	0.00	0.00
SANTANDER	0.00	0.00
SHORE CAPITAL	0.00	0.00
SOCIETE GENERALE	0.00	0.00
STIFEL EUROPE	200,000.00	120.00
STIFEL NICOLAUS	0.00	0.00
SUSQUEHANNA INTERNATIONAL GROUP	0.00	0.00
UBS	850,072.58	614.56
UBS PROG	0.00	0.00
WINTERFLOOD	109,980.00	87.98
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	0.00	0.00
CITADEL INVESTMENT GROUP L.L.C.	0.00	0.00
CITI UK	0.00	0.00
LIQUIDNET ALGO	281,533.45	84.46
	<b>£ 17,400,776.87</b>	<b>£ 11,383.10</b>

### Firm Wide Comparators

All Equity Trading	£	1,010,162,841.53	£550,909.98
Trades:	£	17,400,776.87	£11,383.10
Average Firm-Wide Commission Rate (%)			0.05%
Average Commission Rate (%)			0.07%



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