



RIVER AND MERCANTILE

ES RIVER AND MERCANTILE UK EQUITY SMALLER COMPANIES FUND

Quarterly report to 31 December 2021

For unitholders only

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Quarter 4, 2021

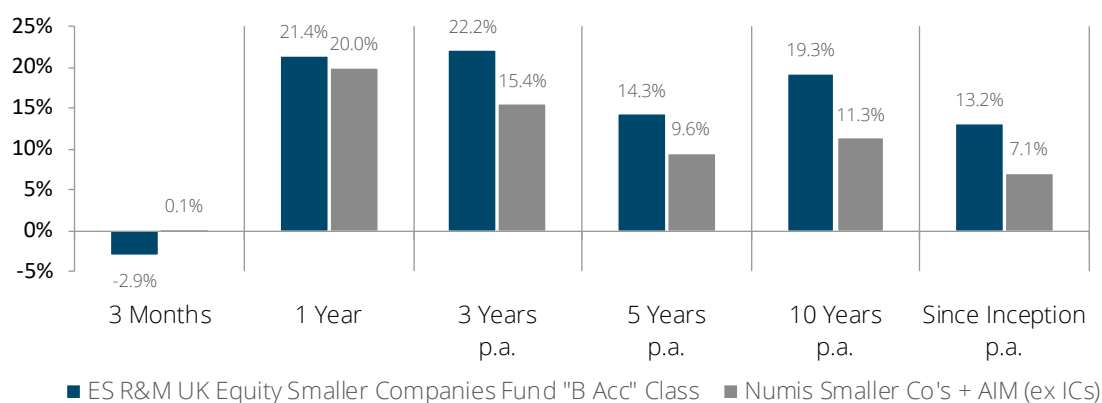
RIVER AND MERCANTILE

INVESTMENT OBJECTIVE

To grow the value of your investment (known as "capital growth") in excess of the MSCI 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	-2.9%	0.1%	-3.1%
1 Year	21.4%	20.0%	1.4%
3 Years p.a.	22.2%	15.4%	6.7%
5 Years p.a.	14.3%	9.6%	4.8%
10 Years p.a.	19.3%	11.3%	7.9%
Since Inception p.a.	13.2%	7.1%	6.1%



	Fund	Index	Difference
3 Years (cumulative)	82.3%	53.9%	28.4%
5 Years (cumulative)	95.3%	57.8%	37.5%
10 Years (cumulative)	483.4%	193.0%	290.5%
Since inception (cumulative)	551.5%	183.0%	368.5%

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	£673.6m	Portfolio beta	0.93
Strategy capacity	£750m	Tracking error	4.56 %
Inception date	30/11/2006	Active money	81.36 %
Number of stocks	81		

Source: River and Mercantile Asset Management LLP, StyleAnalytics

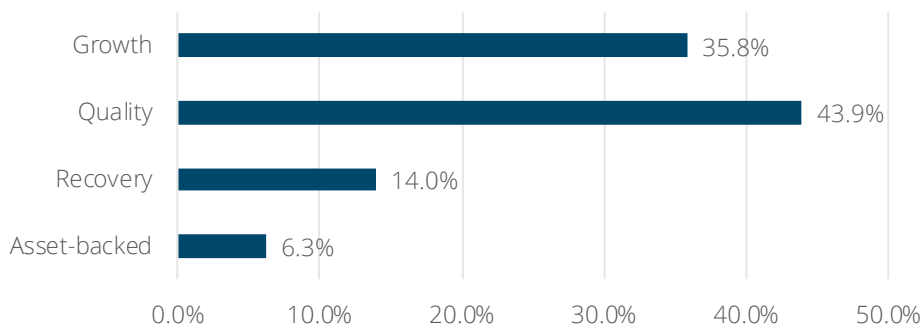
SYNTHETIC RISK AND REWARD INDICATOR



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

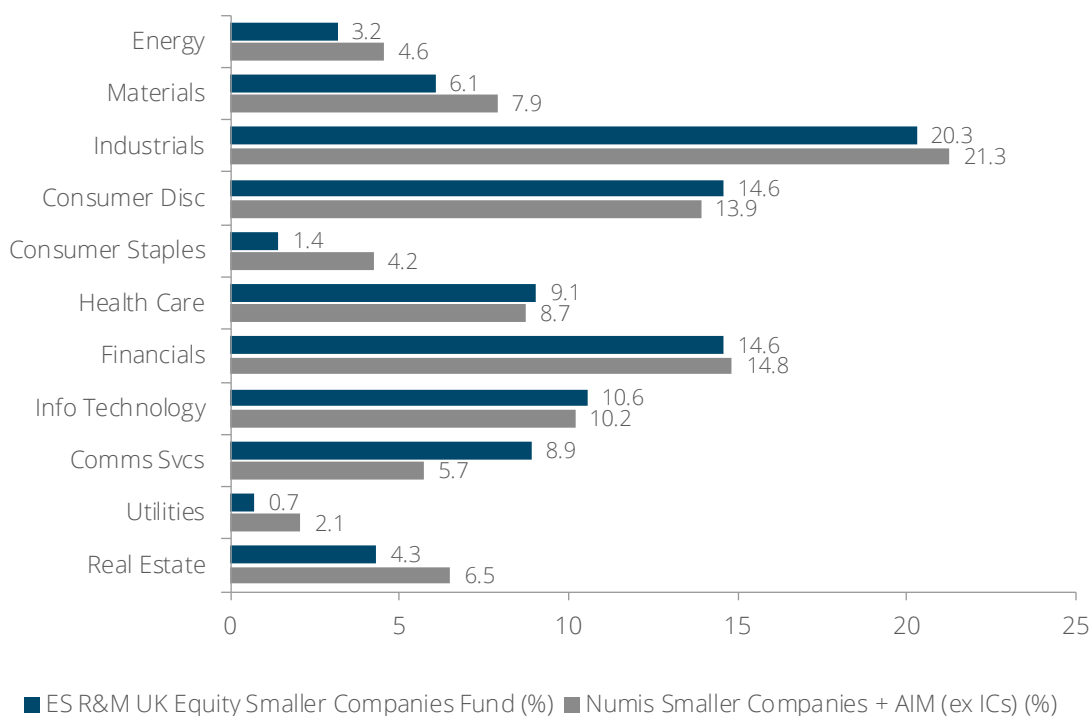
This chart shows the weighting of the fund's holdings across the four categories of Potential, related to the stages of a company's life cycle, as defined within the R&M investment philosophy known as 'PVT' – Potential, Valuation, Timing.



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	1.8%	0.0%	1.8%
Mid Cap	£2bn - £4bn	5.9%	7.2%	-1.3%
Small Cap	£100m - £2bn	83.8%	86.7%	-2.9%
Micro Cap	£0m - £100m	2.2%	6.2%	-4.0%

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
OSB Group	Financials	2.47	0.00	2.47
Alpha Fin Mkts Consulting	Industrials	2.58	0.20	2.38
Supermarket Income REIT	Real Estate	2.17	0.00	2.17
Diversified Energy	Energy	2.42	0.30	2.12
Smart Metering Systems	Industrials	2.36	0.38	1.98
MaxCyte	Health Care	2.11	0.21	1.90
Future	Communication Services	1.82	0.00	1.82
Volution Group	Industrials	2.22	0.43	1.79
JTC	Financials	2.24	0.46	1.78
Alpha FX	Financials	2.11	0.35	1.76

Underweights	Sector	Fund	%	
			Benchmark	Active
Watches of Switzerland	Consumer Discretionary	0.00	1.36	-1.36
Investec	Financials	0.00	1.14	-1.14
Playtech	Consumer Discretionary	0.00	0.92	-0.92
PageGroup	Industrials	0.00	0.85	-0.85
Savills	Real Estate	0.00	0.82	-0.82
Impax Asset Management	Financials	0.00	0.78	-0.78
Ninety One	Financials	0.00	0.70	-0.70
YouGov	Communication Services	0.00	0.69	-0.69
Bodycote	Industrials	0.00	0.67	-0.67
Babcock International	Industrials	0.00	0.66	-0.66

Source: FactSet

TOP 10 HOLDINGS

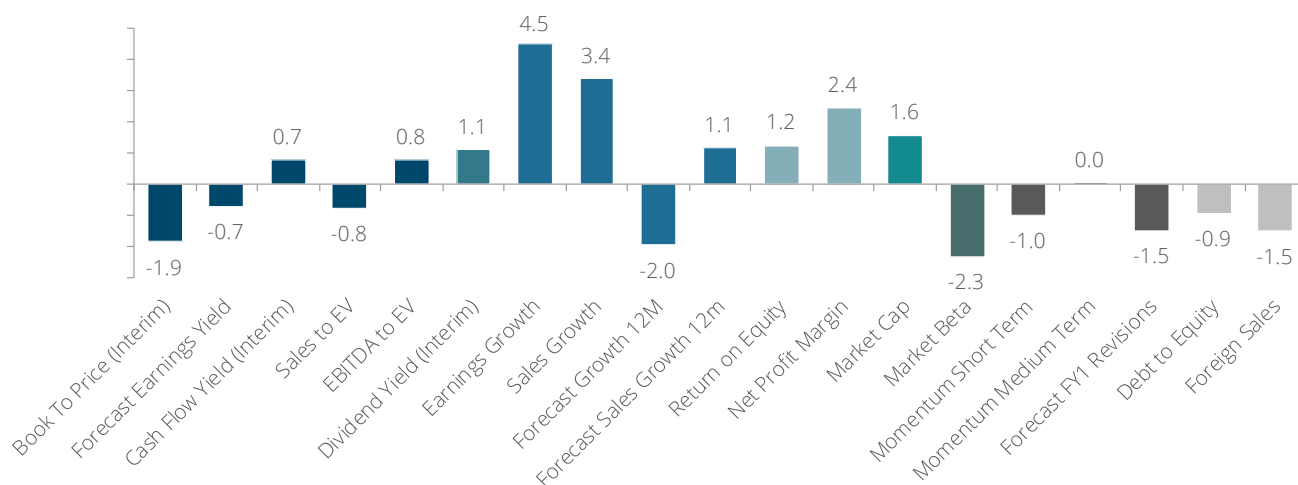
This table shows the fund's ten largest holdings.

	Weight (%)
Alpha Fin Mkts Consulting	2.6
OSB Group	2.5
Diversified Energy	2.4
Smart Metering Systems	2.4
JTC	2.2
Volution Group	2.2
Supermarket Income REIT	2.2
Alpha FX	2.1
MaxCyte	2.1
Bytes	2.0

Source: River and Mercantile Asset Management LLP

PORTFOLIO STYLE SKYLINE

This graph shows the Style TiltsTM 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
Alpha Fin Mkts Consulting	1.94%	0.63%
JTC	1.69%	0.35%
Moonpig	1.71%	0.28%
Cineworld	-0.30%	0.26%
Volution Group	1.63%	0.22%
OSB Group	1.93%	0.20%
Vivo Energy	0.92%	0.20%
Halfords	1.26%	0.19%
Indivior	1.07%	0.18%
Bytes	1.44%	0.16%

Greatest Negative Contribution	Average Active Weight	Contribution to Active Return
Watches of Switzerland	-1.22%	-0.45%
boohoo.com	0.69%	-0.42%
MaxCyte	1.98%	-0.36%
Playtech	-0.85%	-0.32%
IG Design Group	0.36%	-0.27%
tinyBuild	1.00%	-0.27%
Investec	-1.02%	-0.27%
On the Beach Group	0.60%	-0.27%
QinetiQ	1.27%	-0.27%
888 Holdings	0.76%	-0.27%

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	1,458,980.73		790.85
BERENBERG	3,967,314.26		2,025.05
BTG PACTUAL		0.00	0.00
CANACCORD ALGO		0.00	0.00
CANACCORD GENUITY	5,187,395.57		4,149.92
CENKOS		0.00	0.00
CITI PROG		0.00	0.00
CITIGROUP		0.00	0.00
CLSA		0.00	0.00
CREDIT SUISSE	5,231,951.04		4,185.20
DEUTSCHE BANK		0.00	0.00
EXANE		0.00	0.00
FINNCAP	69,929.28		55.95
GBM		0.00	0.00
GOODBODY	100,627.80		80.50
HSBC	11,366.05		9.09
ING		0.00	0.00
INSTINET		0.00	0.00
INVESTEC	14,072,129.33		11,257.72
ITG	11,872,485.66		7,123.49
ITG ALGO		0.00	0.00
ITG EURO		0.00	0.00
J&E DAVY	1,885,474.49		1,508.40
JANE STREET		0.00	0.00
JEFFERIES	215,043.17		170.85
JEFFERIES ALGO	431,246.29		172.50
JPMORGAN CHASE		0.00	0.00
KEPLER CHEUVREUX	497,716.36		398.17
LIBERUM	9,583,074.93		1,029.65
LIQUIDNET	20,621,369.95		12,320.75
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	2,052,119.77		1,641.71
NUMIS	15,216,359.19		12,173.10
PANMURE GORDON	1,950,240.88		1,560.19
PEEL HUNT	12,640,969.27		10,112.81
RAYMOND JAMES		0.00	0.00
RBC	4,579,555.90		3,663.70
RBC ALGO	173,141.59		69.26
REDBURN		0.00	0.00
SANFORD BERNSTEIN		0.00	0.00
SANTANDER		0.00	0.00
SHORE CAPITAL	1,397,562.60		1,083.94
SOCIETE GENERALE		0.00	0.00
STIFEL EUROPE		0.00	0.00
STIFEL NICOLAUS		0.00	0.00
SUSQUEHANNA INTERNATIONAL GROUP		0.00	0.00
UBS	908,415.85		726.75
UBS PROG		0.00	0.00
WINTERFLOOD	891,338.19		713.07
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		3,766.36	1.13
	£	115,019,574.51	£ 77,023.75

Firm Wide Comparators

All Equity Trading	£	1,010,162,841.53	£550,909.98
Trades:	£	115,019,574.51	£77,023.75
Average Firm-Wide Commission Rate (%)			0.05%
Average Commission Rate (%)			0.07%

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