



RIVER AND MERCANTILE

ES RIVER AND MERCANTILE UK RECOVERY FUND

Quarterly report to 31 December 2021

For unitholders only

ES River and Mercantile UK RECOVERY FUND

Quarter 4, 2021

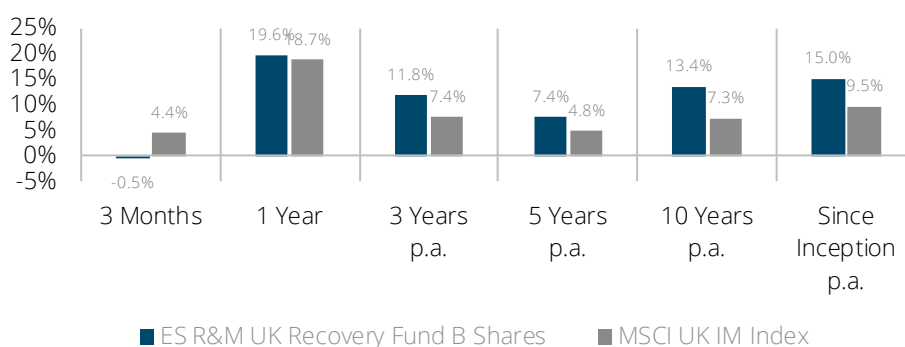
RIVER AND MERCANTILE

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)

	B share class	Benchmark	Difference
3 Months	-0.5%	4.4%	-4.8%
1 Year	19.6%	18.7%	0.9%
3 Years p.a.	11.8%	7.4%	4.4%
5 Years p.a.	7.4%	4.8%	2.6%
10 Years p.a.	13.4%	7.3%	6.2%
Since Inception p.a.	15.0%	9.5%	5.5%



PERFORMANCE (BEFORE FEES)

	Z share class	Benchmark	Difference
3 Months	-0.2%	4.4%	-4.6%
1 Year	20.8%	18.7%	2.1%
3 Years p.a.	12.9%	7.4%	5.5%
5 Years p.a.	8.5%	4.8%	3.7%
10 Years p.a.	14.6%	7.3%	7.3%
Since Inception p.a.	12.3%	7.1%	5.2%

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 (income units) which is net of an annual management charge of 1.00% per annum, and the Z share class (accumulation units) which reflects the fund's gross performance before any fees are deducted. Inception date of the B share class is 1 April 2009 and inception date of the Z share class is 17 July 2008. Fund performance is calculated using the midday published price. 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	£228m	Tracking error	4.8 %
Strategy capacity	£500m	Active money	61.1 %
Inception date	17/07/2008	Portfolio beta	1.13
Holdings (UK/Non-UK)	245/54		

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.

FUND HOLDINGS AND PORTFOLIO WEIGHT

Holding	Weight (%)	Holding	Weight (%)	Holding	Weight (%)
Royal Dutch Shell 'B'	3.08	Imperial Brands	0.34	Mediclinic International	0.25
BP	2.62	Shaftesbury	0.34	Ted Baker	0.25
Unilever	2.37	Tadano	0.34	ASOS Holdings	0.25
HSBC Holdings	2.34	Elis	0.34	Incitec Pivot	0.24
Lloyds Bank	2.21	British Land	0.34	WH Smith	0.24
Anglo American	1.97	Fresnillo	0.33	Prosus	0.24
Rio Tinto	1.86	Citigroup	0.33	RPS Group	0.24
Barclays	1.84	Polymetal International	0.33	Schroder UK Public Private	0.24
Prudential	1.66	Melrose Industries	0.33	Pearson	0.24
BHP	1.40	Moonpig	0.33	Enquest	0.24
Natwest Group	1.25	Strix	0.32	Speedy Hire	0.24
Standard Chartered	1.12	RHI Magnesita	0.32	De La Rue	0.24
Somero Enterprises	1.09	Tribal	0.32	Menzies (John)	0.24
GlaxoSmithKline	1.04	WPP	0.32	Dart Group	0.24
Glencore	0.97	CRH	0.32	EFG Eurobank Ergasias	0.24
British American Tobacco	0.84	Old Mutual	0.32	Trinity Exploration	0.23
BT	0.69	Hunting	0.32	Jumbo	0.23
Capital & Counties	0.68	Int'l Personal Finance	0.31	Stagecoach Group	0.23
The Restaurant Group	0.67	SSP Group	0.31	JD Wetherspoon	0.23
Reckitt Benckiser	0.56	Eckoh	0.31	Trainline	0.23
Smith & Nephew	0.54	Travis Perkins	0.31	Nichols	0.23
Compass Group	0.53	On the Beach Group	0.31	Saga	0.23
Taylor Wimpey	0.53	Ricardo	0.31	Beazley	0.22
Sage	0.52	Savannah Energy	0.31	Flutter Entertainment	0.22
Antofagasta	0.52	Superdry	0.31	First Derivatives	0.22
Legal & General	0.50	Airbus	0.31	888 Holdings	0.22
Whitbread	0.50	Crest Nicholson Holdings	0.31	Smart Metering Systems	0.22
Renold	0.49	Vicat	0.31	Sansei Technologies	0.22
Rolls-Royce	0.49	Johnson Matthey	0.31	Hiscox	0.22
Gresham House	0.49	XLMedia	0.30	Koninklijke Philips	0.22
Int'l Cons. Airlines	0.49	Pendragon	0.30	Tekmar Group	0.22
Ebiquity	0.48	Ocean Wilson Holdings	0.30	ING Group	0.22
Reach	0.48	Ping an Insurance	0.30	Siemens	0.22
Vodafone	0.46	Tremor International	0.30	Exor	0.21
Xaar	0.46	Serco	0.30	Informa	0.21
Centrica	0.46	Walt Disney Company	0.30	Flowtech Fluidpower	0.21
Indivior	0.45	Dixons Carphone	0.30	Biffa	0.21
Burberry Group	0.44	Tullow Oil	0.30	Bodycote	0.21
Coats	0.43	Revolution Bars Group	0.30	A.G.Barr	0.21
Associated British Foods	0.43	Capital Limited	0.30	TI Automotives	0.21
Serica Energy	0.43	Volex	0.29	Sands China	0.21
AstraZeneca	0.42	Central Asia Metals	0.29	Everyman Media Group	0.21
Premier Miton Group	0.42	DFS Furniture	0.29	Hyundai Mobis	0.21
Essentra	0.41	Tesco	0.29	Grainger	0.21
Harbour Energy	0.41	Toyota Industries	0.29	Carlo	0.21
Renewi	0.41	Capita	0.29	Morgan Advanced Materials	0.21
Sony Corp	0.41	Carnival	0.29	boohoo.com	0.21
Devro	0.39	Seplat Petroleum Developme	0.29	Accesso Technology Group	0.20
Berkeley Gp Hldgs	0.39	Swire	0.28	Heijmans	0.20
Secure Trust Bank	0.38	Elementis	0.28	TT Electronics	0.20
Vistry Group	0.38	DP Eurasia	0.28	Hargreaves Lansdown	0.20
Mercia Asset Management	0.37	Banca Farmafactoring	0.28	TKH Group	0.20
John Wood Group	0.37	Gresham House Strategic	0.28	Galliford Try	0.20
Kin and Carta	0.37	Dormakaba Holding	0.28	Brewin Dolphin	0.20
Fidelity China Special	0.37	Subsea 7	0.28	Anima	0.20
ITV	0.37	GVC Holdings	0.28	Chemring	0.20
Wickes	0.37	RWS Holdings	0.28	SBI Group	0.20
Northbridge	0.36	Booking Holdings	0.27	lbstock	0.20
Provident Financial	0.36	SIG	0.27	Cairn Energy	0.20
MPAC Group	0.36	Owens Corning	0.27	IG Holdings	0.20
Baidu	0.36	Boku	0.27	Instem	0.19
Marks & Spencer	0.36	Science In Sport	0.27	Thruvision Group	0.19
Easyjet	0.36	Tate & Lyle	0.27	Ocado Group	0.19
The Weir Group	0.36	IMI	0.27	Temple Bar Investment Trust	0.19
Aviva	0.36	McKesson	0.27	Rathbone Brothers	0.19
Bank of Ireland	0.35	Johnson Controls	0.26	NCC Group	0.19
Centaur Media	0.35	Porsche Automobil	0.25	Zynga	0.19
Virgin Money	0.35	Hostelworld Group	0.25	Breedon Group	0.18
TP ICAP	0.35	Filtronic	0.25	Time Out Group	0.18
ULS Technology	0.35	Hyve Group	0.25	Iomart Group	0.18

Source: River and Mercantile Asset Management LLP

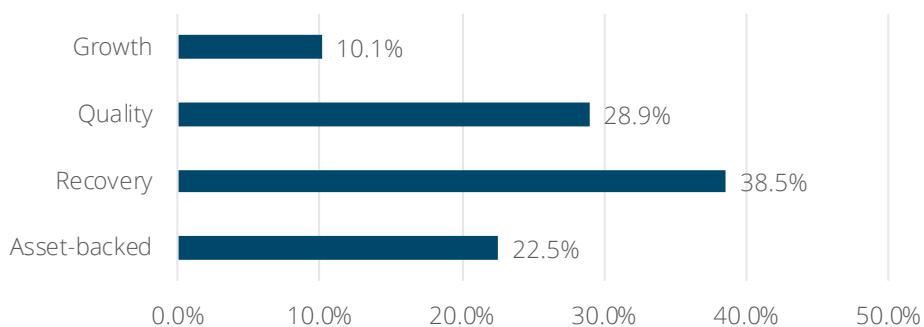
FUND HOLDINGS AND PORTFOLIO WEIGHT (CONTINUED)

Holding	Weight (%)	Holding	Weight (%)
Fukuda Denshi	0.18	Serabi Gold	0.11
Kier	0.18	Rightmove	0.10
Card Factory	0.18	ADVFN	0.10
Greencore Group	0.18	Drax	0.10
Fugro	0.18	Mears	0.10
Next	0.18	Blanco	0.10
Shangri-La Asia	0.18	Pearl Abyss	0.09
Severfield-Rowen	0.18	Driver Group	0.09
Foxtons Group	0.18	Smiths News	0.08
Close Brothers	0.18	Majestic Wine	0.07
Inspired Energy	0.17	Royal Mail	0.06
Royal BAM Group	0.17	Altitude Group	0.06
Japan Post Holdings	0.17	Intertek Group	0.05
Photo-Me International	0.17	Cranswick	0.05
Moneysupermarket.com	0.17	Ashmore Group	0.05
Victrex	0.17	Conduit Holdings	0.05
Centamin	0.17	Auto Trader	0.05
Diversified Energy	0.17	Aukett Swanke	0.05
Just Eat Takeaway	0.17	Rangers International FC	0.02
Learning Technologies	0.17	Cash	0.88
Costain Group	0.17	TOTAL	100.00
Tyman	0.16		
Zotefoams	0.16		
Ascential	0.16		
The Gym Group	0.16		
eEnergy Group	0.16		
Applus Services	0.16		
Aberforth Smaller Co's Trust	0.16		
Van Lanschot	0.16		
AVI Japan Opps Tst	0.16		
PZ Cussons	0.16		
Vesuvius	0.16		
Johnson Service	0.15		
Mondi	0.15		
Norcros	0.15		
Adept Telecom	0.15		
Cenkos Securities	0.15		
Lancashire Holdings	0.15		
Rotork	0.15		
Keller	0.15		
Micro Focus	0.15		
Tachi-S Co	0.15		
Nippo Corp	0.15		
Henry Boot	0.15		
Mortgage Advice Bureau	0.14		
Workspace	0.14		
Bango	0.14		
Dialight	0.14		
Staffline Group	0.14		
Trifast	0.14		
Renuron Group	0.14		
Topps Tiles	0.14		
JKX Oil & Gas	0.14		
MySale Group	0.13		
Benchmark Holdings	0.13		
IQE	0.13		
Angling Direct	0.13		
LSL Property Services	0.13		
Mitie	0.13		
OPG Power Ventures	0.12		
Aston Martin Lagonda	0.12		
James Fisher & Sons	0.12		
Mind Gym	0.12		
Hill & Smith	0.12		
M&C Saatchi	0.12		
IP Group	0.12		
AO World	0.12		
Nintendo	0.11		
The Hut Group	0.11		
Joules	0.11		

Source: River and Mercantile Asset Management LLP

PVT CATEGORIES OF POTENTIAL

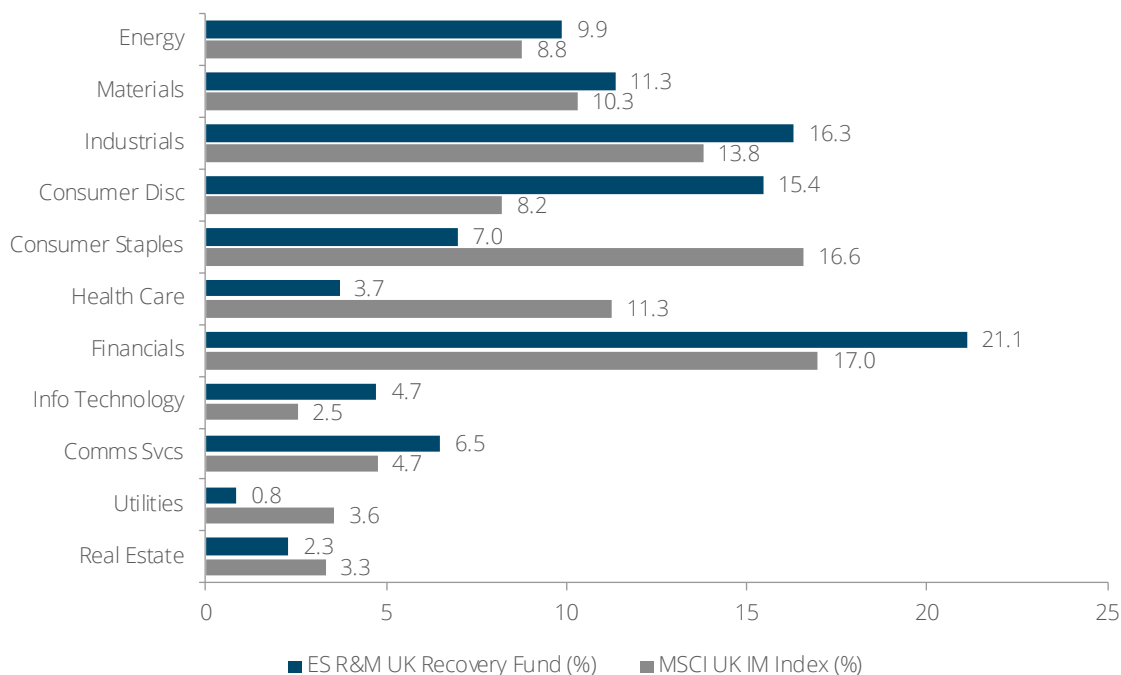
This chart shows the weighting of the fund's holdings across the four categories of Potential, related to the stages of a company's life cycle, as defined within the R&M investment philosophy known as 'PVT' – Potential, Valuation, Timing.



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

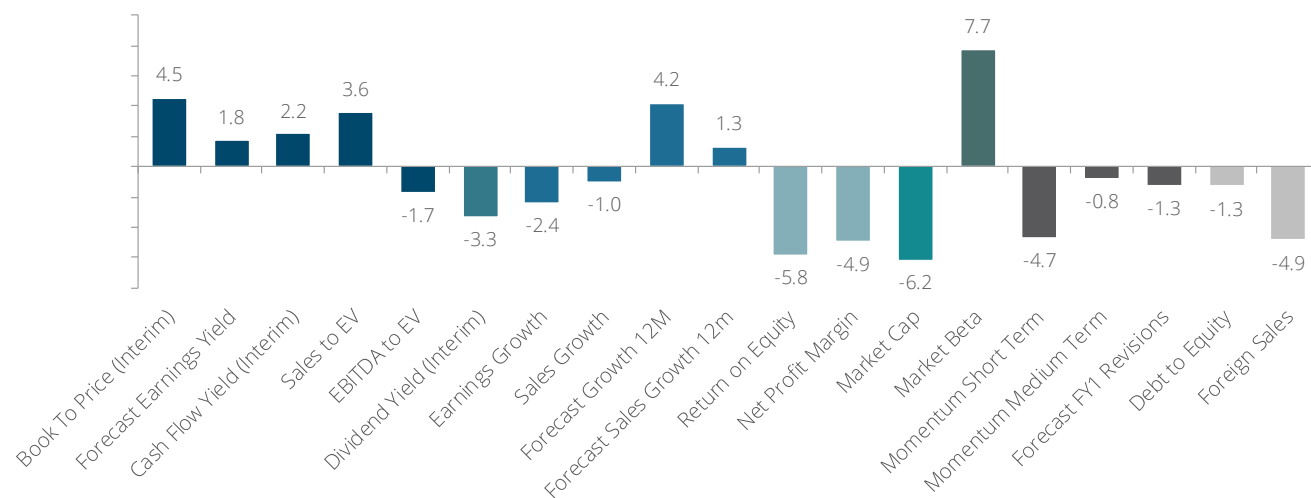
This table shows a comparison of fund and benchmark weightings across a range of company values

		Fund	Benchmark	Active
Mega Cap	£20bn +	32.2%	59.9%	-27.7%
Large Cap	£4bn - £20bn	16.1%	26.2%	-10.1%
Mid Cap	£2bn - £4bn	7.0%	6.8%	0.2%
Small Cap	£100m - £2bn	37.5%	7.1%	30.3%
Micro Cap	£0m - £100m	6.3%	0.0%	6.3%

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

PORTFOLIO STYLE SKYLINE

This graph shows the Style Tilts™ 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
AstraZeneca	-5.71%	0.42%
Unilever	-2.47%	0.17%
Royal Dutch Shell 'A'	-2.58%	0.14%
London Stock Exchange	-1.05%	0.12%
Pearl Abyss	0.18%	0.12%
Renewi	0.44%	0.09%
GVC Holdings	-0.24%	0.07%
Renold	0.53%	0.07%
Playtech	0.13%	0.07%
Essentra	0.30%	0.06%

Greatest Negative Contribution	Average Active Weight	Contribution to Active Return
Diageo	-3.96%	-0.28%
GlaxoSmithKline	-2.37%	-0.24%
National Grid	-1.57%	-0.24%
Ferguson	-1.16%	-0.24%
HSBC Holdings	-1.73%	-0.18%
Experian	-1.40%	-0.16%
Int'l Cons. Airlines	0.51%	-0.14%
RELX Group	-1.99%	-0.13%
Capita	0.33%	-0.12%
Ted Baker	0.31%	-0.11%

Source: FactSet

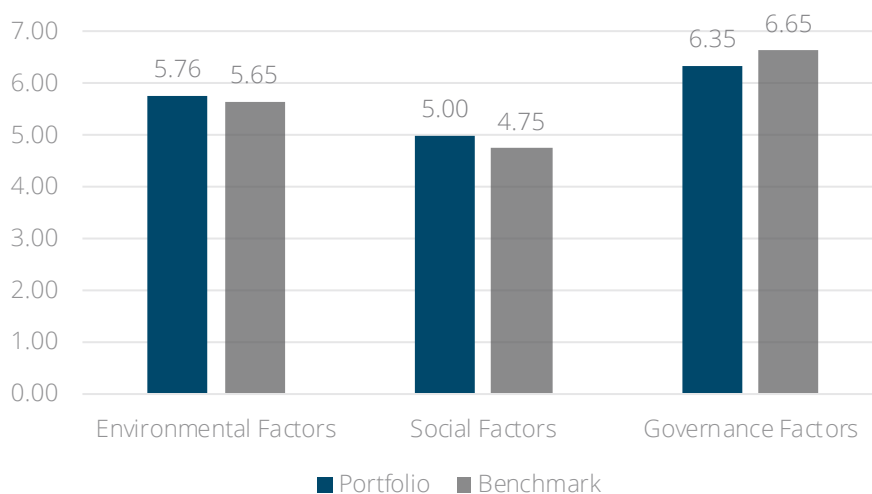
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FACTOR ANALYSIS

This report is designed to give a broad overview of the portfolio from the perspective of Environmental, Social and Governance factors. Whilst the portfolio is not run to be optimised with these factors in mind, we may expect to take major risks into consideration when analysing stocks.

This table compares the portfolio and benchmark asset weightings by value with data from MSCI ESG Research.

	Portfolio	Benchmark
Assets covered by MSCI ESG Research	80.7%	99.3%
Assets scoring in the bottom decile	0.2%	0.1%

The chart below illustrates how the portfolio and its benchmark compare on average Environmental, Social and Governance scores. Scores are based on a 1 to 10 scale, where 1 is the lowest/worst and 10 is the highest/best.



10 highest rated ESG companies held by fund	Portfolio Weight	Benchmark Weight	Company Rating	Industry Adjusted Score
Legal & General	0.5%	0.8%	AAA	10.0
Burberry Group	0.4%	0.3%	AAA	10.0
Sony Corp	0.4%	0.0%	AAA	10.0
ITV	0.4%	0.2%	AAA	10.0
Marks & Spencer	0.4%	0.2%	AAA	10.0
British Land	0.3%	0.2%	AAA	10.0
CRH	0.3%	0.0%	AAA	10.0
SIG	0.3%	0.0%	AAA	10.0
Johnson Controls	0.3%	0.0%	AAA	10.0
Mediclinic International	0.2%	0.1%	AAA	10.0

10 lowest rated ESG companies held by fund	Portfolio Weight	Benchmark Weight	Company Rating	Industry Adjusted Score
Hyundai Mobis	0.2%	0.0%	CCC	0.7
Porsche Automobil	0.3%	0.0%	B	1.4
Carnival	0.3%	0.1%	B	1.7
Pearl Abyss	0.1%	0.0%	B	2.3
Premier Miton Group	0.4%	0.0%	B	2.4
Bank of Ireland	0.4%	0.0%	BB	2.9
Airbus	0.3%	0.0%	BB	3.0
Volex	0.3%	0.0%	BB	3.0
Tremor International	0.3%	0.0%	BB	3.1
Toyota Industries	0.3%	0.0%	BB	3.1

BROKER COMMISSIONS ANALYSIS

Counterparty	Total (£)	Commission Paid (£)	
			Execution Only
ABG SUNDAL COLLIER	0.00		0.00
ATLANTIC SECURITIES	71,457.19		42.87
BANCO ITAU	0.00		0.00
BARCAP	659,882.04		443.19
BERENBERG	361,222.73		288.98
BTG PACTUAL	0.00		0.00
CANACCORD ALGO	2,731,614.54		1,092.68
CANACCORD GENUITY	810,524.73		648.43
CENKOS	151,425.00		121.14
CITI PROG	0.00		0.00
CITIGROUP	57,860.12		46.29
CLSA	0.00		0.00
CREDIT SUISSE	1,843,553.90		1,122.43
DEUTSCHE BANK	0.00		0.00
EXANE	1,165,420.26		805.83
FINNCAP	118,802.01		95.06
GBM	0.00		0.00
GOODBODY	806,662.78		621.92
HSBC	36,050.00		28.84
ING	516,808.15		310.09
INSTINET	13,199.76		10.56
INVESTEC	2,334,546.78		1,841.83
ITG	1,833,155.45		1,099.91
ITG ALGO	919,518.48		367.81
ITG EURO	0.00		0.00
J&E DAVY	88,890.07		71.13
JANE STREET	0.00		0.00
JEFFERIES	1,953,731.97		1,417.95
JEFFERIES ALGO	1,458,982.65		583.57
JPMORGAN CHASE	1,942,324.86		1,366.14
KEPLER CHEUVREUX	253,230.00		151.94
LIBERUM	538,784.23		431.03
LIQUIDNET	4,450,711.88		2,670.44
MEDIOBANCA	0.00		0.00
MIZUHO	376,501.96		225.90
MORGAN STANLEY	345,024.55		259.18
NORTHERN TRUST CORP	38,425.11		30.74
NPLUS1 SINGER	861,450.78		689.16
NUMIS	1,972,312.67		1,499.64
PANMURE GORDON	346,429.73		144.49
PEEL HUNT	4,856,073.82		3,944.01
RAYMOND JAMES	0.00		0.00
RBC	1,309,850.81		962.38
RBC ALGO	5,878,542.42		2,351.45
REDBURN	180,749.47		144.60
SANFORD BERNSTEIN	0.00		0.00
SANTANDER	198,954.52		119.37
SHORE CAPITAL	261,723.94		196.53
SOCIETE GENERALE	0.00		0.00
STIFEL EUROPE	0.00		0.00
STIFEL NICOLAUS	0.00		0.00
SUSQUEHANNA INTERNATIONAL GROU	0.00		0.00
UBS	1,069,280.12		851.38
UBS PROG	2,543,328.58		1,017.44
WINTERFLOOD	1,074,206.48		859.37
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	254,395.55		203.51
CITADEL INVESTMENT GROUP L.L.C.	0.00		0.00
CITI UK	295,095.17		177.06
LIQUIDNET ALGO	334,815.58		100.44
	£ 47,315,520.84	£	29,456.71

Firm Wide Comparators

All Equity Trading	£	1,010,162,841.53	£550,909.98
Trades:	£	47,315,520.84	£29,456.71
Average Firm-Wide Commission Rate (%)			0.05%
Average Commission Rate (%)			0.06%

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