

ES River and Mercantile EUROPEAN FUND

CLASS B GBP (Income)

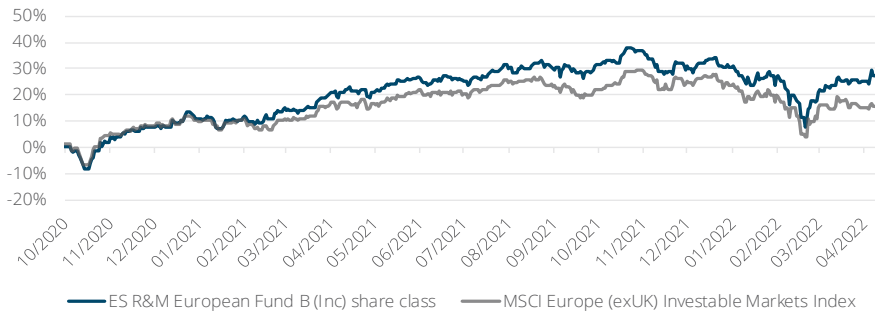
PAST PERFORMANCE

The chart and tables below show the performance of the fund's GBP B (Inc) share class since the launch of the share class on 16 October 2020.

Source: River and Mercantile Asset Management LLP. Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices.

Past performance is not a reliable guide to future results.

PERFORMANCE SINCE INCEPTION



CUMULATIVE PERFORMANCE

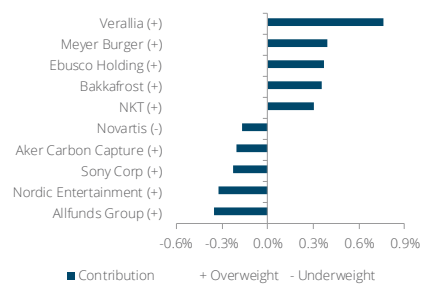
	1 month %	3 months %	1 year %	3 years %	Since inception %
B share class (Inc)	0.8	1.7	4.5	-	26.8
Benchmark	-1.9	-4.0	-1.2	-	15.1

DISCRETE 12 MONTH PERFORMANCE

	12 months to 30/04/2018	12 months to 30/04/2019	12 months to 30/04/2020	12 months to 30/04/2021	12 months to 30/04/2022
B share class (Inc)	-	-	-	-	4.5%
Benchmark	-	-	-	-	-1.2%

TOP 5 PERFORMANCE CONTRIBUTORS & DETRACTORS

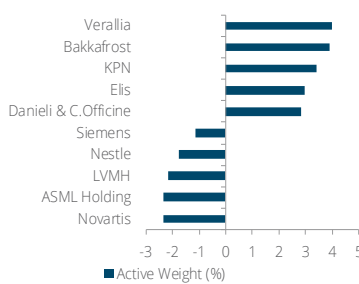
The best and worst contributors to the portfolio's performance relative to the benchmark.



Source: Factset

TOP 5 OVERWEIGHTS & UNDERWEIGHTS

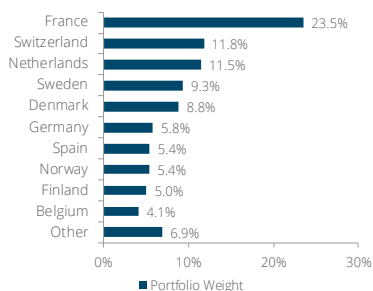
The securities in which the portfolio weight differs most from that of the benchmark.



Source: Factset

TOP 10 COUNTRY WEIGHTS

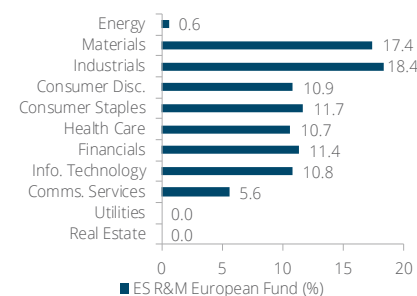
The portfolio's ten largest country holdings by total weight.



Source: Factset

SECTOR WEIGHTS

Portfolio weightings within specific industrial sectors.



Source: Factset

RIVER AND MERCANTILE

INVESTMENT OBJECTIVE

To achieve a return (income and growth in the value of your investment (known as "capital growth") over a rolling period of at least five years, by investing in a core concentrated portfolio of shares of European companies.

PORTFOLIO MANAGER

James Sym

PORTFOLIO & RISK CHARACTERISTICS

Number of holdings	49
Fund Volatility	14.8%
Benchmark Volatility	13.2%
Beta	1.04
Tracking error	5.34
Active Money	81.0%

KEY FACTS

Fund launch date	30/09/2020
Share class launch date	16/10/2020
Benchmark	MSCI Europe (ex-UK) IM index
IA sector	Europe ex-UK
Total fund size	£255.9m
Domicile	UK
Fund type	UK UCITS
SEDOL	BMX64P1
ISIN	GB00BMX64P13
Bloomberg	ESRMEBI
Distribution type	Income

FEES & CHARGES

Initial charge	Up to 5.25%
AMC	0.75%
Ongoing charge (including AMC)	0.95%

DEALING INFORMATION

Dealing frequency	Daily
Dealing cut-off time	12pm (UK)
Valuation point	12pm (UK)
Settlement	T+4
Minimum investment	£1000

SYNTHETIC RISK & REWARD INDICATOR (SRRI)



CONTACT DETAILS

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TOP 10 HOLDINGS

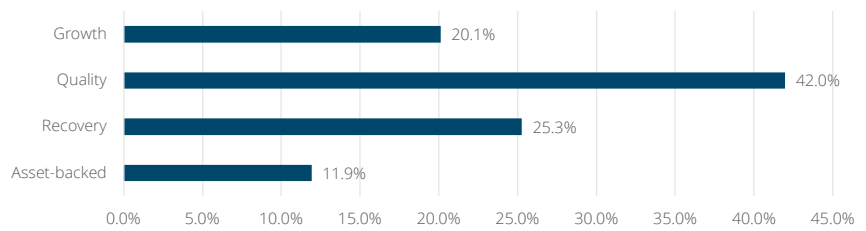
The ten largest positions by weight held in the portfolio.

	Weight (%)
Verallia	4.0
Bakkafrost	4.0
KPN	3.5
Air Liquide	3.5
Roche Holdings	3.5
Sanofi	3.2
Elis	3.0
Banco Santander	2.9
Danieli & C Officine	2.8
Recticel	2.8

Source: River and Mercantile Asset Management LLP

CATEGORIES OF POTENTIAL

The weighting of the portfolio across the four categories of potential, related to stages of a company's life cycle.



Source: River and Mercantile Asset Management LLP

PORTFOLIO STYLE SKYLINE

This chart shows the Style Tilts™ of the portfolio against the benchmark as calculated by StyleAnalytics.



Source: StyleAnalytics

FUND RATINGS



OTHER INFORMATION

Authorised Corporate Director: Equity Trustees Fund Services Limited
 Investment manager: River and Mercantile Asset Management LLP
 Depository: The Bank of New York Mellon (International) Limited

MANAGER'S REVIEW

Global markets fell 8% in April. The US 10-year hit 3% which results in the worst 4 month start to a year for those assets since 1788. US Equities had the worst 4-month start to a year since 1939. US policy makers are now signalling a series of 50bps hikes which is consensus. US CPI hit 8%. We've seen some pretty high-profile causalities at a stock specific level particularly amongst the lockdown winners. Outside these winners though, cyclical consumer stocks and cyclical growth stocks have also been very hard hit with many examples in our European universe down 30-50%. In many cases we see valuations – and I mean through cycle valuation metrics not just an end-cycle derating of current profitability – back to the March 2020 lows. UK consumer confidence hit 39 which is fractionally above the all-time low of 38.

Unsurprisingly we think it is now time to somewhat amend the portfolio to benefit from the consensus shifting again. While long term exposure to inflation-protective assets will be key if we are correct that we have embedded a more inflationary investment regime for this cycle, it won't be a straight line. We need therefore to determine how to have sufficient exposure to the recovery of these cycle low valuations and a short-term fade of the rampant cost-of-living-crisis fears.

Our preference – in order to limit duration risk – is to add to very beaten-up consumer stocks which have some pricing power, rather than pile into well-owned growth cyclicals at this late stage of their growth phase, despite the share price falls. Dometic and Verallia are good examples of what we like, operating in local oligopolies with demonstrable ability to pass through price rises, where this ability is not expected or priced by the stock market, and they trade on crisis-level valuations. It is a fear of terrible consumer demand in the face of inflation which has created these sorts of opportunities, so it stands to reason an abatement in the short term from 'peak fear' should lead to a rerating.

I've generally avoided talking about performance in these monthly notes, but it is worthwhile highlighting the fund had a very good month, outperforming by 2.7% despite a relatively high cyclical exposure, which hopefully demonstrates that the assets your clients own through this portfolio are able to walk the inflation-protection walk.

James Sym

Portfolio Manager
May 2022

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