

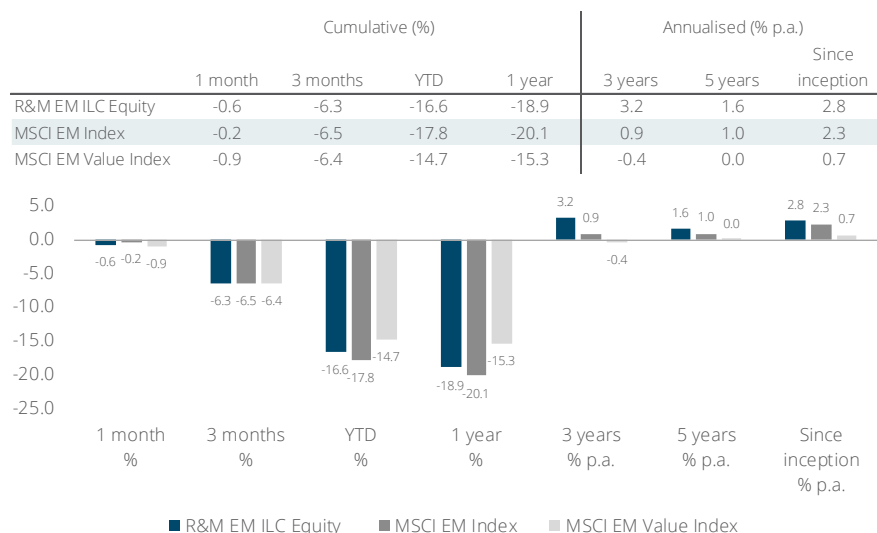
# River and Mercantile EMERGING MARKET ILC EQUITY FUND

31 JULY 2022

## PAST PERFORMANCE

The chart and tables below show the performance of the fund's USD EB (Acc) share class since 28 September 2012.

Fund performance is calculated using midday published prices. Benchmark performance is calculated using close of business mid-market prices. 28 September 2012 is the date that the current portfolio management team became responsible for the fund. Past performance is not a reliable guide to future results.



Source: River and Mercantile Asset Management LLP

## CALENDAR YEAR PERFORMANCE

Calendar Year	R&M EM ILC Equity	MSCI EM Index	MSCI EM Value Index
	%	%	%
2021	1.3	-2.5	4.0
2020	20.2	18.3	5.5
2019	17.2	18.4	12.0
2018	-13.1	-14.6	-10.7
2017	33.1	37.3	28.1

Source: River and Mercantile Asset Management LLP

## TOP 5 PERFORMANCE CONTRIBUTORS

The most positive contributors to the portfolio's performance relative to the benchmark.

	Active avg. weight (%)	Relative contribution (%)
Sungrow Power Supply	1.40	0.31
Alibaba Group	-2.13	0.28
HDFC Bank	1.75	0.25
momo.com	0.95	0.22
Petro Rio	1.69	0.19

Source: Factset

## TOP 5 PERFORMANCE DETRACTORS

The most negative contributors to the portfolio's performance relative to the benchmark.

	Active avg. weight (%)	Relative contribution (%)
Country Garden Svcs	0.88	-0.57
China Lesso Group	1.54	-0.28
Postal Savings Bk of China H	1.75	-0.24
Zhongsheng Group Holdings	1.20	-0.24
Airtac International	1.13	-0.22

Source: Factset

## WEIGHT BY STAGE OF THE INDUSTRIAL LIFE CYCLE

A comparison of the portfolio's allocation to the different stages of the industrial life cycle versus the benchmark.

	R&M EM ILC Equity (%)	MSCI EM Index (%)
Growth	21.9	24.4
Cash cow	29.5	28.6
Fading winner	17.7	12.5
Restructuring	4.3	10.1
Financial	24.7	23.3

Source: River and Mercantile Asset Management LLP

RIVER AND MERCANTILE

## INVESTMENT OBJECTIVE

To achieve the highest possible return in US dollars (Reference Currency), while taking due account of the principle of risk diversification, the security of the capital invested, and the liquidity of the invested assets.

## PORTFOLIO MANAGER

Alfred Bryant, CFA

## PORTFOLIO SIZE

Total fund size \$ 135.9m  
Strategy capacity \$ 5bn

## KEY FACTS

Manager start date 28/09/2012  
Benchmark MSCI Emerging Markets index  
IA sector Global Emerging Markets  
Domicile Luxembourg  
Fund type UCITS  
Legal form SICAV  
Currency USD  
ISIN LU1692110783  
SEDOL BLNPNX2  
Bloomberg CSGMEBU LX  
Distribution type Accumulation

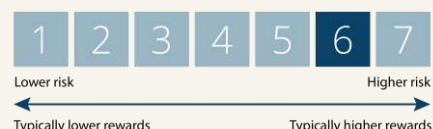
## FEES & CHARGES

Initial charge Up to 3.00%  
AMC 0.50%  
Ongoing charge (including AMC) 0.89%

## DEALING INFORMATION

Dealing frequency Daily  
Dealing cut-off time 3pm (CET)  
Valuation point 3pm (CET)  
Settlement T+4  
Minimum investment £1000

## SYNTHETIC RISK & REWARD INDICATOR (SRII)



Please refer to the KIID for more information with respect to the SRII methodology

## CONTACT DETAILS

Email enquiries@riverandmercantile.com

## OTHER INFORMATION

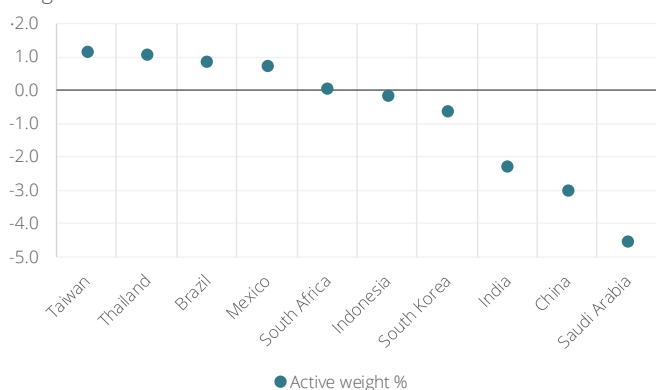
Management co. MultiConcept Fund Management SA  
Investment mgr. River and Mercantile LLC  
Depositary Credit Suisse (Luxembourg) SA

## ALTERNATIVE SHARE CLASSES

Class PB Currency GBP OCF 0.76%

## ACTIVE COUNTRY WEIGHTS

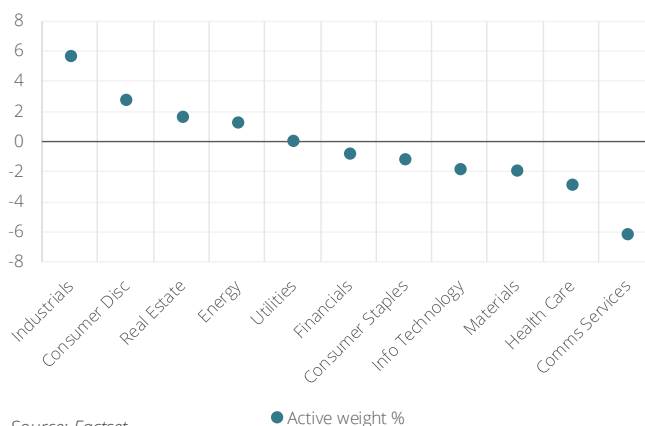
The fund's active weights across the benchmark's ten largest weighted countries.



Source: Factset

## ACTIVE SECTOR WEIGHTS

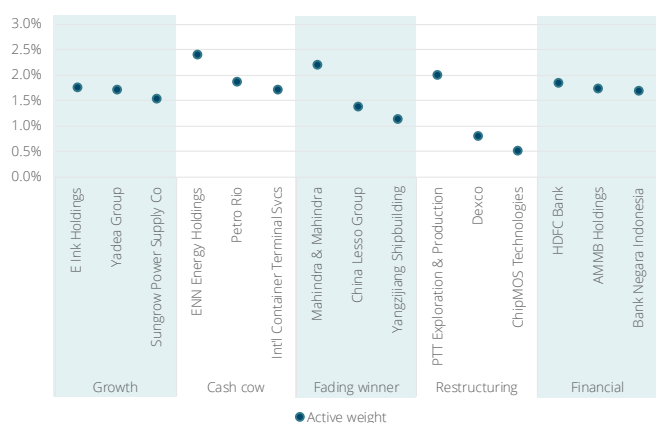
The fund's sector weights compared with its benchmark.



Source: Factset

## MOST ACTIVE HOLDINGS BY ILC STAGE

The largest positions by active weight in each ILC category.



Source: River and Mercantile Asset Management LLP

## FUND RISK CHARACTERISTICS

Characteristics of the portfolio compared to its benchmark.

	R&M EM ILC Equity	MSCI EM Index
Number of securities	78	1185
Number of 'off-benchmark' securities	29	0
NAV of 'off-benchmark' positions	38.03 %	0 %
Return on equity (ROE)	21.4 %	18.04 %
Return on invested capital (ROIC)	13.72 %	11.44 %
Price to earnings ratio (PE)	11.51	11.62
Price to book ratio (PB)	1.66	1.75
Dividend yield	2.99 %	2.71 %
Market Cap (USD, weighted average)	76.61 bn	96.86 bn

Source: River and Mercantile Asset Management LLP, Style Analytics

## INVESTMENT MANAGER'S COMMENTARY

Emerging Market equity returns were a mixed bag in July when viewed across the major markets. The MSCI EM index fell -0.25% and is down -17.8% for the year to date. Most markets turned in gains, with Chile and India leading at 12% and 9% respectively. China became the laggard this month falling -9%, offsetting most of its gains from June. The Fund followed the market, down -0.6% in July, but retained an edge over the index for the year to date at -16.6%.

As noted last month, there were important news releases coming out of China in July that we were waiting to digest. The negative economic momentum has waned and credit momentum is on the rise. The absence of additional bad news drove us to close half of our China underweight in the month. The market dips provided a key opportunity to make the changes. China's recovery will remain bumpy for the rest of the year and we will continue to monitor the data and react as needed.

The July declines in China were driven by news of residential borrowers refusing to pay mortgages on properties that remain unbuilt. These were small acts of civil disobedience with big headlines. The property sector in China is not likely to recover at the same pace as the broader economy, and our investment in Country Garden Services was sold in the midst of this contagious bad news. This was a name added in the summer of 2020 as we re-risked the portfolio. The company operates as a property manager, maintaining large apartment buildings and offering ancillary services such as child care. During the month, it became apparent that the growth opportunities that we had seen in the company two years ago were going to be very challenged for the next 12-24 months.

The grossing up of the China allocation was funded from Taiwan this month. Just as the China recovery seems to be starting, we expect that lower EU and US consumer confidence will begin weighing on the export strength that propelled Taiwan's economy since Covid began. South Korea will also experience weakness from the same drivers. Q2 earnings outlooks from the consumer oriented technology companies in both markets has been quite weak. The length of the Taiwan and South Korean decline will depend on the extent of the downturn in the developed world's consumption patterns.

As we approach the fourth quarter, Brazilian elections and the Chinese party congress will dominate headlines and trading volumes. The economics and valuations continue to favor the periphery of EM (Latam, ASEAN, and South Africa). A smooth Congress party session in China and easing Covid restrictions should pave the way for improved consumer sentiment as we approach 2023.

### Alfred Bryant, CFA

Portfolio Manager  
August 2022

## RISK

The Fund's risk and reward profile does not reflect the risk inherent in future circumstances that differ from what the Fund has experienced in the recent past. This includes the following events which are rare but can have a large impact.

- Credit risk: Issuers of assets held by the Fund may not pay income or repay capital when due. The Fund's investments have low credit risk.
- Liquidity risk: Assets cannot necessarily be sold at limited cost in an adequately short timeframe. The Fund's investments may be prone to limited liquidity. The Fund will endeavour to mitigate this risk by various measures.
- Counterparty risk: Bankruptcy or insolvency of the Fund's derivative counterparties may lead to payment or delivery default.
- Operational risk: Deficient processes, technical failures or catastrophic events may cause losses.
- Political and Legal risks: Investments are exposed to changes of rules and standards applied by a specific country. This includes restrictions on currency convertibility, the imposing of taxes or controls on transactions, the limitations of property rights or other legal risks. Investments in less developed financial markets may expose the Fund to increased operational, legal and political risk.

## IMPORTANT INFORMATION

This document is aimed at professional investors only.

River and Mercantile Emerging Market ILC Equity Fund (the "Fund") is a sub-fund of River and Mercantile Investment Funds (the "SICAV"), an investment company with variable capital established in Luxembourg as an umbrella fund with segregated liability between sub-funds.

MultiConcept Fund Management S.A. acts as manager to the SICAV and has delegated the discretionary investment management of the Fund to River and Mercantile LLC ("R&M LLC") and the distribution of the Fund to River and Mercantile Asset Management LLP ("RAMAM"). R&M LLC has been approved by the Commission de Surveillance du Secteur Financier to act as investment manager to the Fund and is registered with the US Securities and Exchange Commission (SEC) as an investment advisor. RAMAM is authorised and regulated in the United Kingdom by the Financial Conduct Authority (Firm Reference No. 453087) and is registered in England (Company No. OC317647). R&M LLC and RAMAM are both subsidiaries of River and Mercantile Group which is registered in England (Company No. 04035248) with its registered office at 30 Coleman Street, London, EC2R 5AL.

For further information on the Fund including the specific risks and the overall risk profile of the Fund, as well as the share classes within, please refer to the Fund's Prospectus and Key Investor Information Documents (KIIDs) (available from [riverandmercantile.com](http://riverandmercantile.com)).

The original version of the Prospectus is in English; however, it may be translated into other languages free of charge.

The value of investments and any income generated may go down as well as up and is not guaranteed.

An investor may not get back the amount originally invested. Past performance is not a reliable guide to future results. Changes in exchange rates may have an adverse effect on the value, price or income of investments.

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