RIVER AND MERCANTILE

RIVER AND MERCANTILE GLOBAL RECOVERY FUND

Quarterly report to 30 September 2022

For unitholders only

River and Mercantile
GLOBAL RECOVERY FUND

Quarter 3, 2022

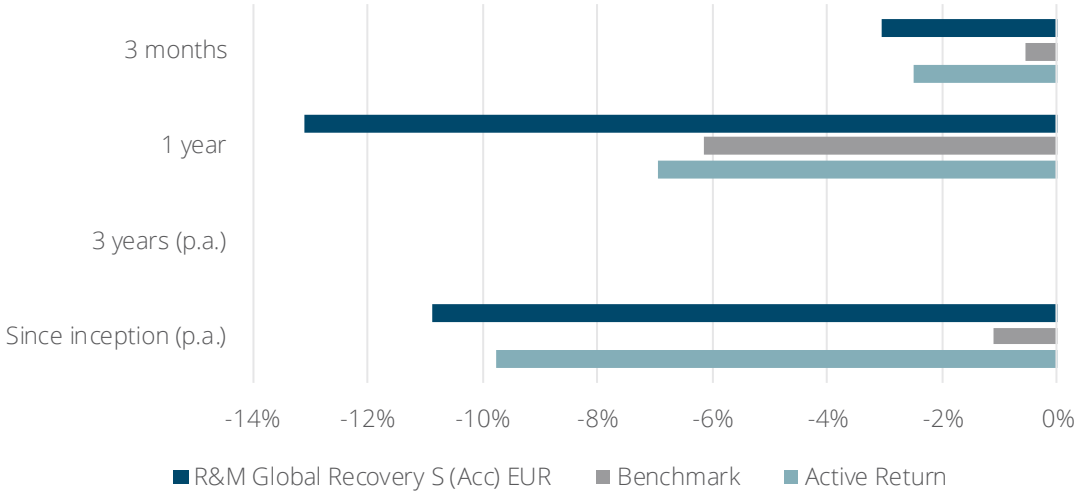
RIVER AND MERCANTILE

INVESTMENT OBJECTIVE

To grow the value of your investment (known as "capital growth") in excess of the MSCI All Country World Index (ACWI) 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	-3.0%	-0.6%	-2.5%
1 year	-13.1%	-6.1%	-7.0%
3 years (p.a.)	-	-	-
5 years (p.a.)	-	-	-
Since inception (p.a.)	-10.9%	-1.1%	-9.8%



Source: River and Mercantile Asset Management LLP. Benchmark is the MSCI All Country World Index (ACWI), net EUR. Fund performance shown is of S share class (accumulation units) which is net of an annual management charge of 0.65% per annum. Please note that the fund performance is calculated using midday published prices and 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	£81.7m
Strategy capacity	£1.6bn
Inception date	04/06/2021
Number of stocks	442

Portfolio volatility	15.4 %
Benchmark volatility	13.4 %
Portfolio beta	1.07
Tracking error	5.6 %
Active money	81.9 %

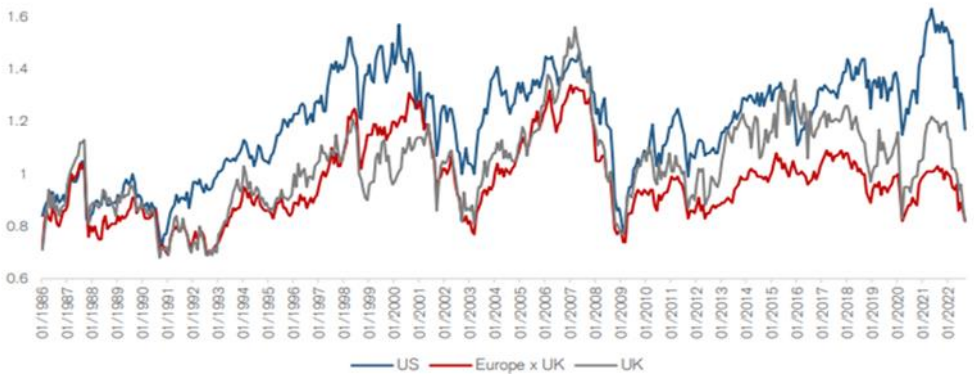
SYNTHETIC RISK AND REWARD INDICATOR

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.

"Buy low. Of course, you say, that's obvious. Well, it may be, but that isn't the way the market works. When prices are high, a lot of investors are buying a lot of stocks. Prices are low when demand is low. Investors have pulled back, people are discouraged and pessimistic…Buy when most people, including experts are pessimistic. So simple in concept. So difficult in execution." - Sir John Templeton

Catalysed by inflation pressures the world is being forced by Central Banks to move to a world of money costing a more normal (and ultimately more sustainable) amount. The monetary tightening and economic weakness associated with this transition is creating huge uncertainty, an aggressive discounting of risks and a few blow-ups (mini-budgets, pension fund liability management). As levels of uncertainty ramp up my message remains the same - there are some amazing bargains out there. The UK and global stocks that make up our hunting ground are really very cheap now. Small and mid-cap (SMID) equities are on bargain basements valuations. Any equity (and now bond) that has uncertainty associated with it is very depressed. Our types of shares, namely PVT, Value, Recovery, Multi-Cap and out-of-favour Growth are often stunning value with free cash (or capital) yields that are often higher than earnings multiples. As uncertainty regarding the interest rate and economic outlook has increased so have asset prices moved to discount a more and more difficult outlook so that many charts that measure investment anomalies are now towards, or at, historical extremes. I will include a few of these in this report.

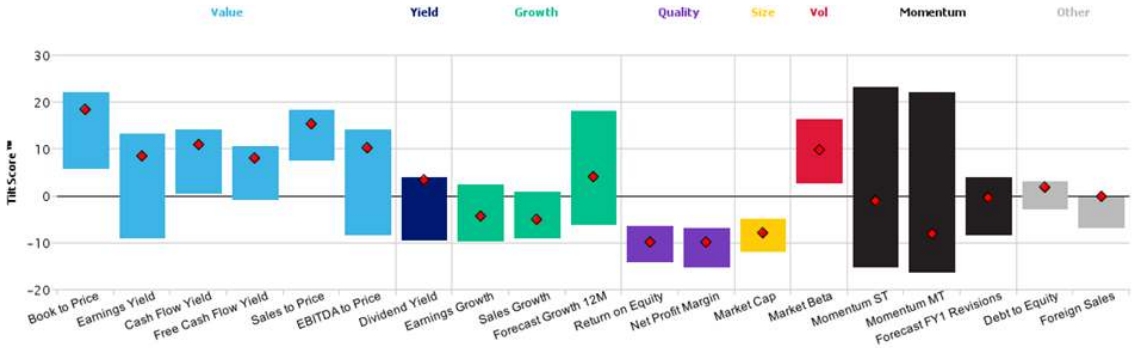
Median HOLT P/B for Value Stocks (inc. Financials) – US, Europe and UK



Source: Credit Suisse HOLT

Our portfolios – better value than ever

Our portfolios represent a huge store of value (at only around 1.1x price to book, less than 1x sales and double-digit cash flow yields) and as shown below (represented by the red diamonds) have rarely been cheaper versus the benchmark, with even the dividend yield the same or higher than the market. Also note we have no more leverage than the market and whilst we are bullish on SMIDs, we are only in the middle of the range as we have looked to manage this 'risk'.

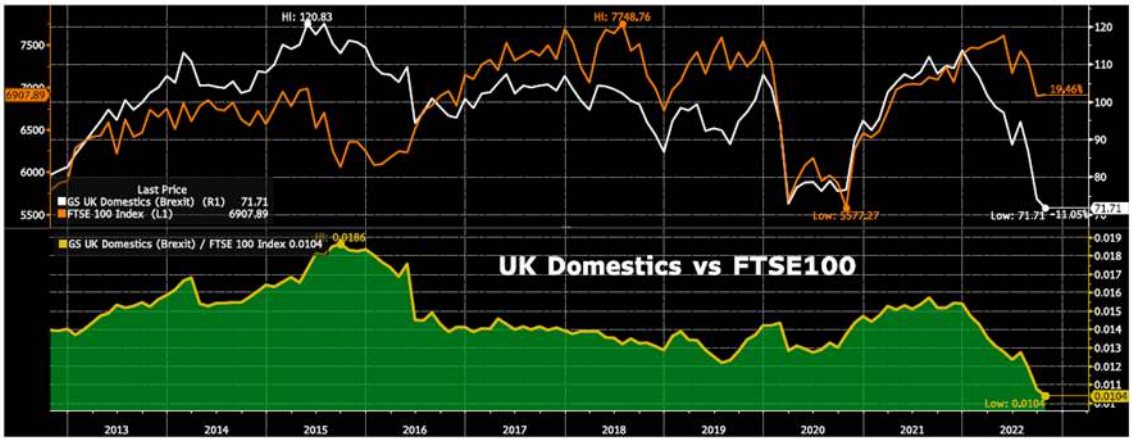


Source: StyleAnalytics

The UK

Wow, this is what panic looks like, catalysed by a recently elected PM and Chancellor deciding policy based on theoretical beliefs colliding with a very volatile interest rate pricing environment and suddenly the real world (one where financial markets matter) takes over and the academic economists have to learn a harsh lesson very quickly. Truss and Kwarteng were extremely naive and one hopes they have quickly learnt their lesson (as I write this Hunt has taken over as Chancellor, so things moved very quickly and policy is likely 'normalising' with tax cuts coming after recovery rather than before). Of course, it depends on your economic and political beliefs whether you like Liz Truss's policies, but at least conceptually we all like the idea of trying to increase our underlying growth rates through supply side reform and getting the tax structure right so that it encourages investment and growth (hardly radical, despite what everyone seems to be saying) but the clear lesson from recent events is that you can't do this without the support of financial markets or the electorate. Reassuringly the UK has neither a relative leverage or funding challenge with the second lowest level of debt to GDP in the G7 and the longest average debt maturity in the OECD. Meanwhile UK equities are really very good value, are not overly geared, are in general proxies for global rather than UK GDP growth and are universally unloved and have suffered lots of forced selling, most notably at the smaller companies (and anything UK domestic) end of the spectrum (see graph below, UK domestic stocks vs FTSE100). As we speak UK government long term debt can be purchased with a yield of 5% guaranteed for 30 years which, from my perspective, is a lot more attractive than the 0.5% one could get only a few months ago and further proof that one of the golden rules of investing remains that the price you pay is after all pretty important. If at some point long term investors start buying enough gilts to offset the forced sellers then gilts should stabilise, setting a floor under equity markets and sentiment generally and allowing the whole interest rate structure to stabilise (at lower levels versus today, but permanently higher than the free money post GFC (global financial crisis) days). By the way, US mortgage rates are over 6% at the moment – we are not alone!

Look at this - UK domestic stocks versus the FTSE100. UK domestics actually trading at a lower absolute level than they reached during the huge Covid drawdown:



Source: Bloomberg

Timing the nadir

When will the types of shares I favour become less cheap? I don't really know. How bad will the economic and profits downturn be? And in this fast market, with lots of passive and hot capital (and lots of forced selling), how much of a bad cycle is already reflected in share prices? Given where valuations have fallen to then it would seem that a lot of bad news is already factored in. My guess is that the inflationary worries will start to subside well before the profit cycle bottoms out. Will markets start to

discount recovery at that point or wait for profits to bottom out? To be honest I'm not sure, so as ever it pays to be gradualist as we build up positions in new anomalies that have been created by these uncertainties. We haven't had a bad down cycle (we are not normally great in these anti-risk type markets), protected by our Value bias but it's been bad enough for me and you to lose sleep over. I am sorry but I have not been prepared for such a rapid change in narrative (from post-Covid recovery) and for how uncertain things have become. But we are where we are and it is incumbent on me to exploit the anomalies that are available today and as the yield curve in the US shows below (10 year versus 2 year), the fully inverted curves that clearly predict recessions don't tend to last very long, a classic case of better to travel than arrive (or once bond yields arrive at this point enough policy pain has been inflicted to catalyse peak tightening and the bottoming out of the cycle).

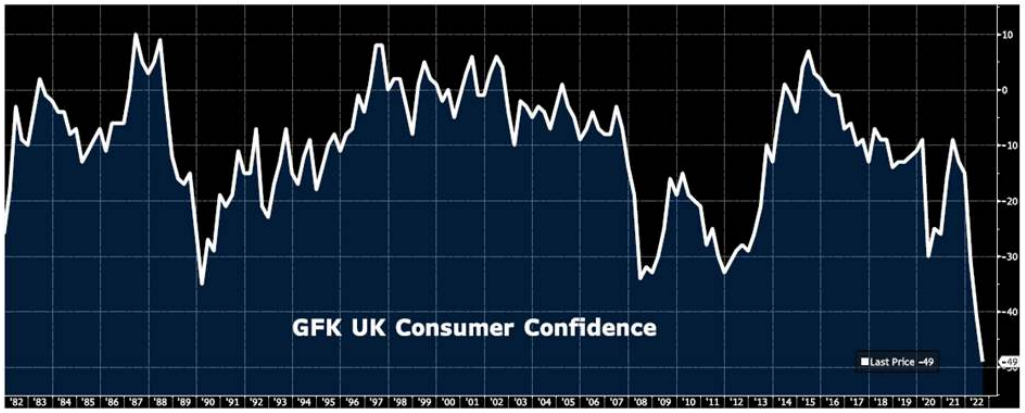
Source: Bloomberg

How low can it go?

I don't know. But in a few years' time if one didn't buy shares in the types of companies we favour at these bargain basement prices then there will be a huge amount of regret. My funds own stocks that are on as low as 3x earnings and out-of-favour digital platforms that are on less than 1x sales. Of course, cheap stocks can get cheaper, and in the GFC bear market (for example) they obviously did (about 10% cheaper, to 1x PB) but this is definitely not our central case, and if it comes to pass then permanent capital will not be lost but there will just be temporary share price corrections and we will stick to our knitting and apply our gradualist, diversified by stock count (but punchy in every other way) approach.

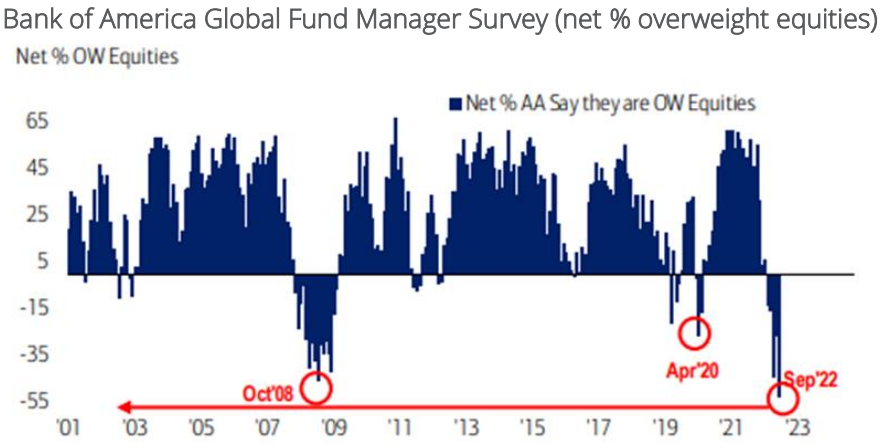
How bad is sentiment?

One of the best contra-indicators is consumer sentiment… let's look at UK consumer confidence today, this should speak for itself, at a lower low than when I showed it when making a similar point last quarter!



Source: Bloomberg

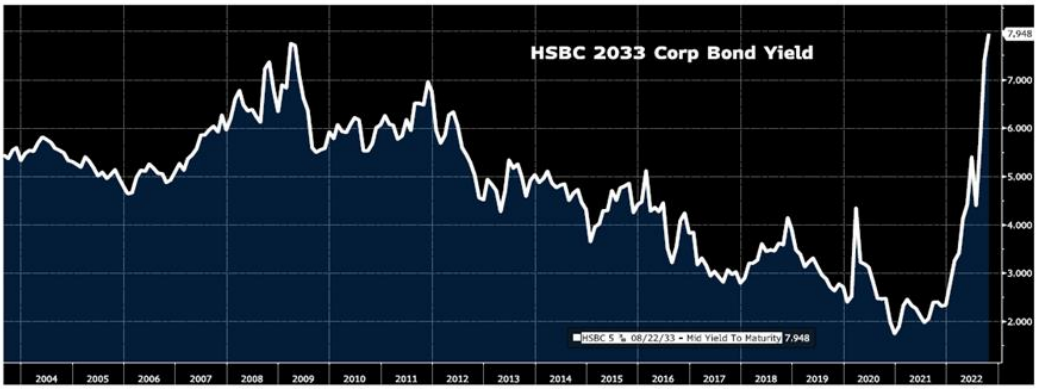
And the good news is that it's not just consumers who are now bearish, so are investors (below) and sell side strategists, and friends and family, and of course it's the end of the world if you dare to follow the press.



Source: Bank of America Fund Manager Survey

Bond markets

I don't really know much about bonds. Though I think I'm right in saying that when you buy UK gilts with a yield of 5%, or HSBC Bank 2033 Corp on a yield of 7.9%, this is a lot better value than when you could buy the former at the end of last year on 0.5% or the latter on less than 2%. Today, if you are about to retire you can get a yield of c.6.5% on a portfolio of gilts and blue-chip corporate bonds, whilst nine months ago one was lucky to get a third of that. Just have a look at this graph below - HSBC Corp Bond yield higher than the GFC high (who would have thought), and interestingly the equity price is up a bit in GBP over 2022. So, a number of corporate bonds are already discounting things being as bad as the GFC.



Source: Bloomberg

Inflation

Central banks, having missed the lead indicators of inflationary pressure (such as money supply, the semis cycle, asset prices and freight rates) as they started to build two years ago, are now busily focused on the lagging indicators of inflation, namely Putin's war and employment levels. It seems that the Fed needs US unemployment to rise before taking the foot off the brake. Meanwhile, most other indicators of inflation are falling whilst quite a few pips are starting to squeak....

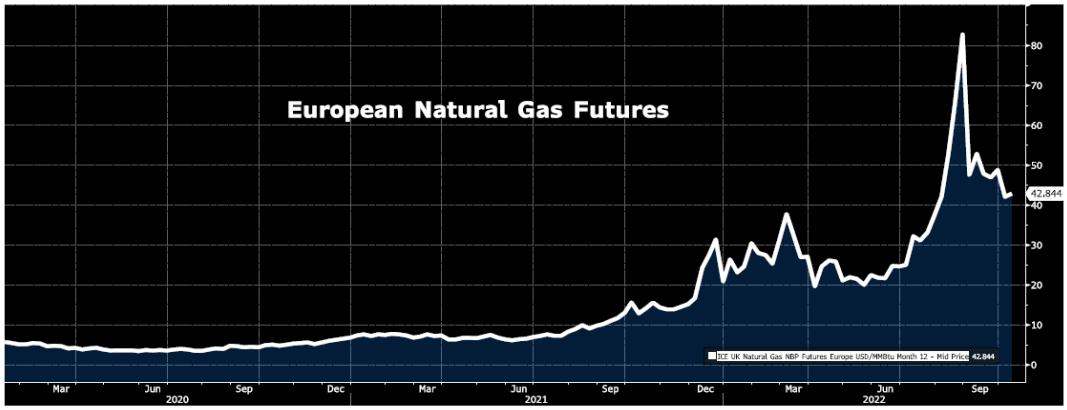
US Money Supply Growth – back to normal, actually negative in real terms:

Source: Bloomberg

Container Freight Rates (global) – heading back to normal:

Source: Bloomberg

Natural Gas Prices – Europe, still high but big drop form peaks and cost of government subsidies falling:

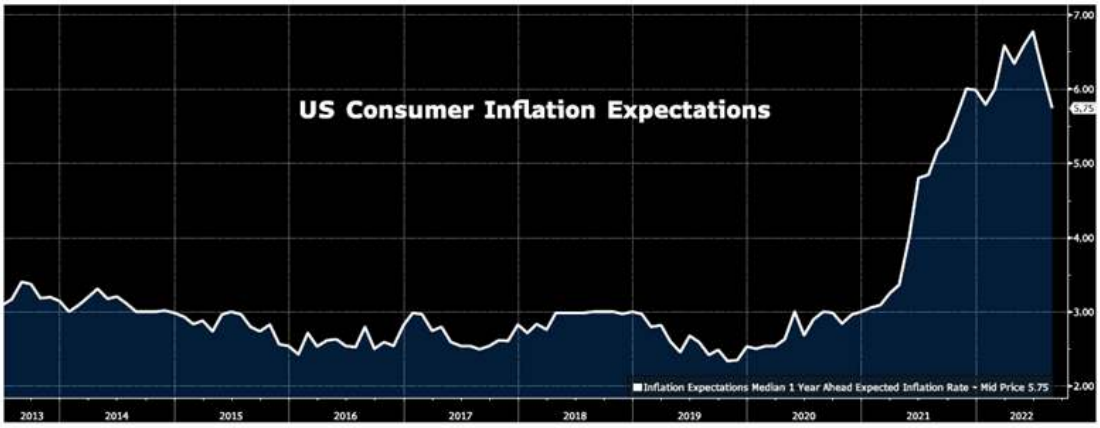


Source: Bloomberg

Semi-cycle, buoyant during Covid with demand ahead of supply but now this is reversing:

Source: Bloomberg

US Consumer inflation expectations started to roll over:



Source: Bloomberg

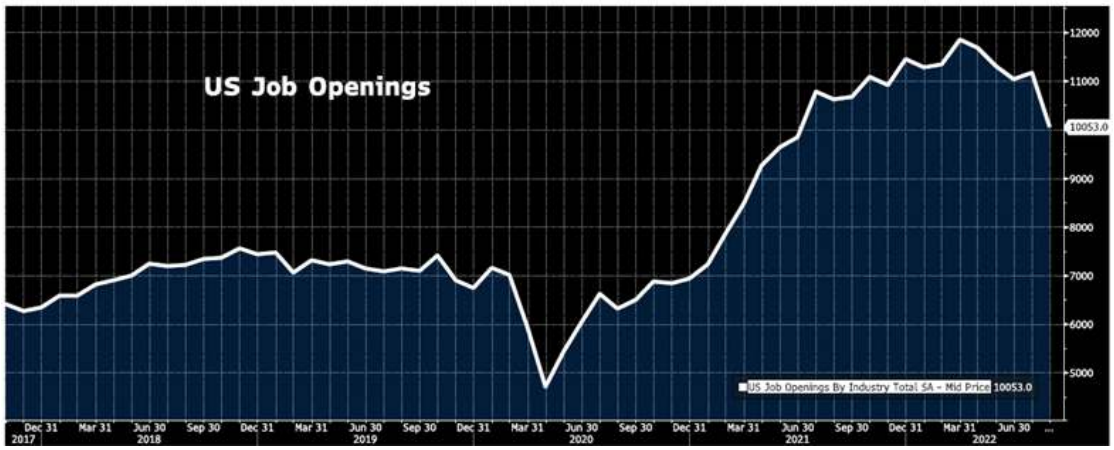
As US Manufacturing prices paid in retreat:

Source: Bloomberg

And this is why inflation is coming down – financial conditions squeeze after last year's largesse:

Source: Bloomberg

And is the US employment 'issue' starting to rollover, new job openings down from peak, this has been a global issue with big demand for casual labour as the service industry went from zero to hero (no one had enough staff when demand recovered), but this is now normalising as we move past peak demand for meals out and holidays:

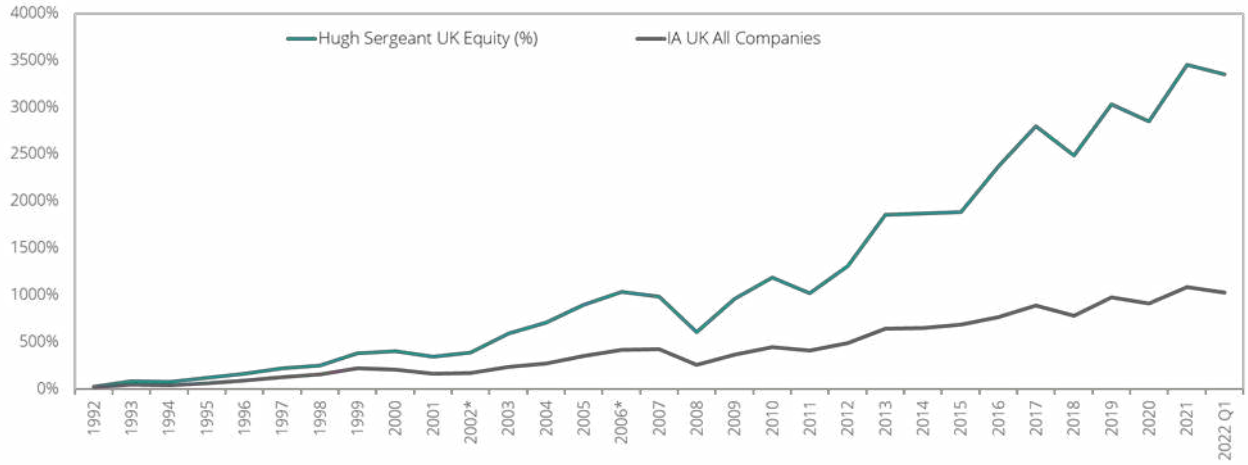


Source: Bloomberg

So, I conclude from the above that early cycle inflation pressures are reducing at a reasonable pace, that policy is now tight, that market panics are making things even tighter, that unemployment is a lagging indicator and even this is starting to peak. I recognise that the latest inflation print out of the US was not that supportive, though the pressure at the moment remains on the later cycle service sector with the early cycle goods inflation print clearly rolling over. At some point over the next few months policy tightening will max out and be supportive of a narrowing of all the huge valuation spreads that have developed over the last year.

Our Alpha and Recovery approaches

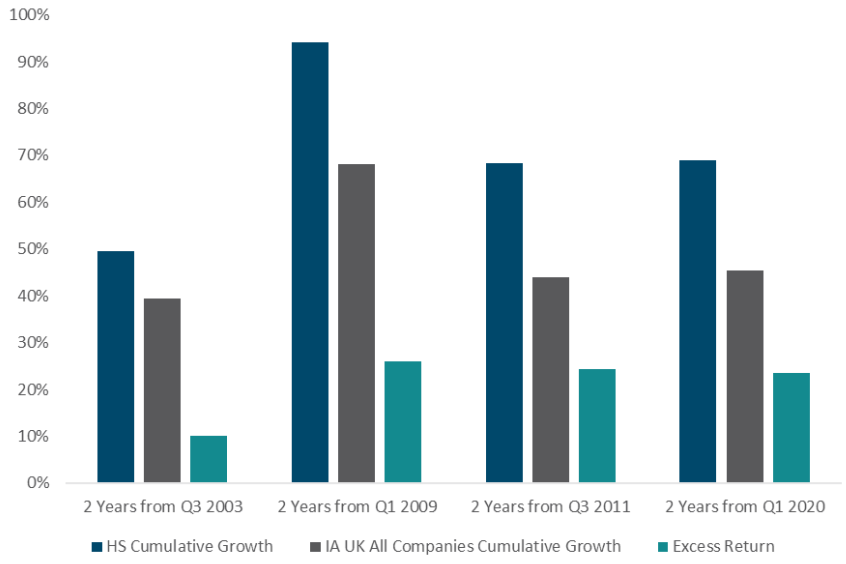
We invest in companies with **P**otential, **V**aluation and **T**iming and have a strong portfolio construction commitment to attractively valued companies, to good businesses with recovery potential, to multi-cap investment opportunities, to being interested in structural growth when it is temporarily unpopular and to getting most interested in an investment when it is out-of-favour but where the fundamentals are on the turn. We repeat this investment approach day-in and day-out, aided by systematic screening. We try to stick to our approach during the difficult times so that we nearly always participate when there is a following wind for our factors. Our Alpha strategies include being benchmark aware when constructing the portfolio; our Recovery strategies are unconstrained and focus on medium to long term wealth creation. Below is my 30 year returns for my UK Alpha product, and compared to peers:



*Notes: The ES R&M UK Equity Alpha Fund was launched on 28.11.2006. Performance since that date is sourced from River and Mercantile Asset Management LLP. Performance for the IA UK All Companies sector average is sourced from FE fundinfo. Source for other data: The WM Company, Lipper Hindsight. 1992 to 2001 = segregated account with FTSE All-Share Index +2% target, managed by Hugh during his time at PDFM/UBS. 2003 to 2005 = The SocGen UK Growth Fund, managed by Hugh at his time at SG Asset Management. Performance is not shown for Q1 to Q3 for 2002 and most of 2006 as Hugh was on gardening leave due to moves to SGAM and R&M, respectively. *N.B The 2002 return is Q4 2002 (30.09.2002 to 31.12.2002) and the 2006 return is from 31.12.2005 to 31.03.2006 and 28.11.2006 to 31.12.2006. Returns are calculated gross of fees using close of business prices for Hugh Sergeant's UK Equity track record. The IA UK All Companies sector is an average taken of the entire sector which is therefore a mixture of fund share classes that are both net and gross of fees and have been calculated using noon prices. Data to 31 March 2022, cumulative.* ***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 guide to future performance.***

And we do normally do well coming out of economic and certainty downturns, as shown by the performance of my UK Alpha approach coming out of previous difficult cycles, namely post the TMT bubble bursting, the GFC, the EU Sov debt crisis and Covid:

Hugh Sergeant 2 year performance after troughs in the market (vs. UK peers



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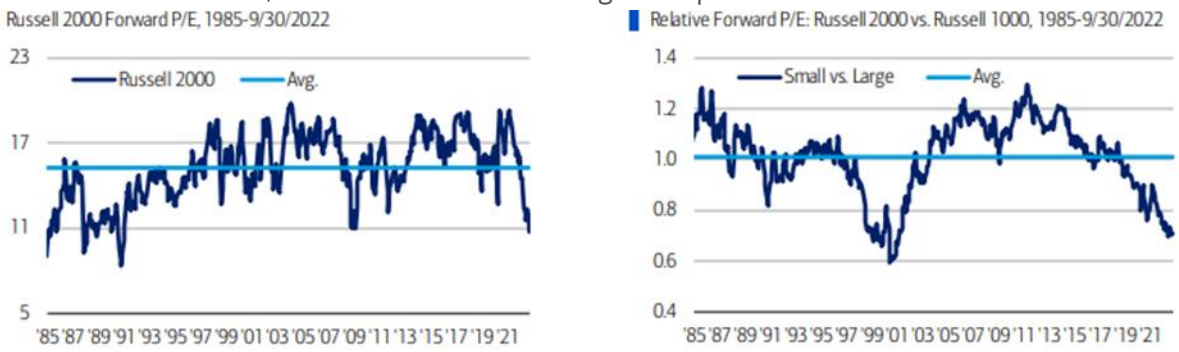
Smaller companies

Smaller companies peaked at the end of Q1 last year and have fallen almost 40% in real terms since this peak. This has created some really great opportunities in smaller companies around the world.

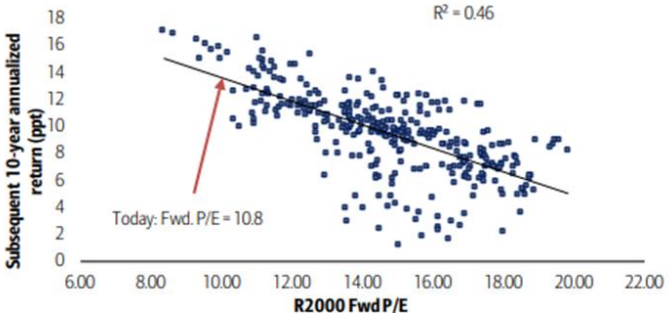
First in the US (updated from last quarter, after further correction), where the Russell 2000 has fallen to 2008/9 lows in absolute valuation terms and a very big discount to larger companies; the third graph below plots the ten year returns to US small cap depending on starting valuations, a re-assuring message both for US small cap and our portfolio in general with 10x earnings having driven double digit compounding in the past.

Russell 2000 forward PE, absolute and relative to larger companies:



Source: Bank of America

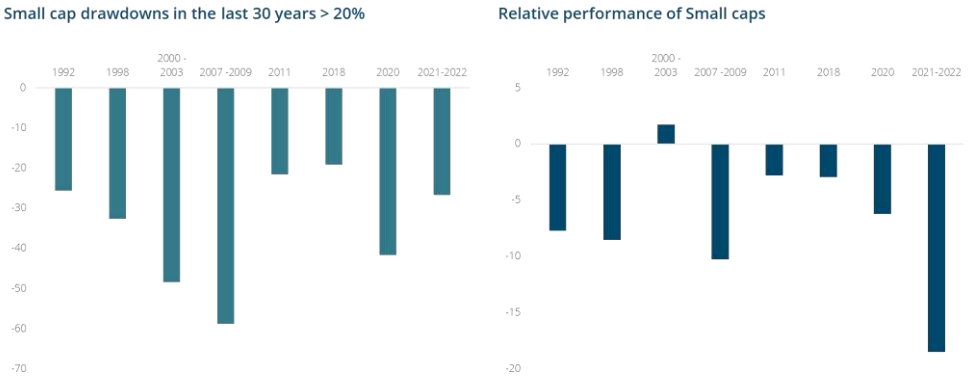
Russell 2000 forward PE vs subsequent ten-year annualised returns:



Source: Bank of America

Now the UK

The relative to large cap drawdown this time around has been particularly severe, the result being a huge de-rating so that smaller cap earnings multiples are trading close to a GFC nadir. And if you have that horrid combination of small and domestic then you are lucky not to have seen your share price halve.



Source: Bloomberg, MSCI (for further information please refer to the disclaimer at the end of this pack), Numis. Data to 23 September 2022.

Source: Bloomberg

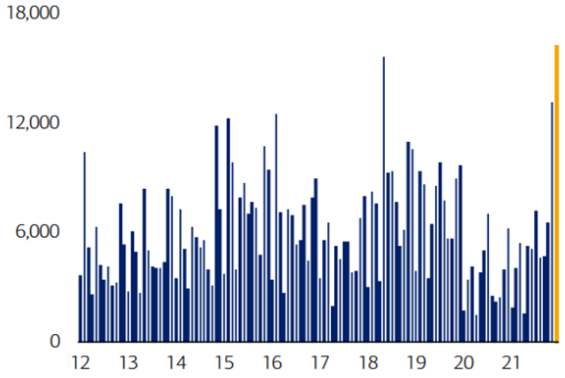
Earnings cycle

This is the weakest part of a bottom-of-the-market thesis as, whilst we are now seeing material downgrades, corporate profits remain better than mid-cycle. It would almost be preferable to get some big downgrades out of the way over Q4, to rebase profits lower, as this would allow the market to start to look through this worry. I would contend that quite a big part of the market where returns are high versus history are commodity related and these have been put on very low multiples of their 'peak' earnings. Meanwhile sectors where profits have already fallen towards cycle lows (consumer facing stocks such as retailers and housebuilders) are trading at cycle low valuations versus book and sales. Below I show the relative value in Europe of Cyclicals vs. Defensives, at the 2009 low:

Source: Exane

And actually, we have already seen a deterioration in the earnings cycle with a large number of negative pre-announcements starting in August in the US; this will get worse, but this is almost a good thing as the market does not believe that current returns are sustainable.

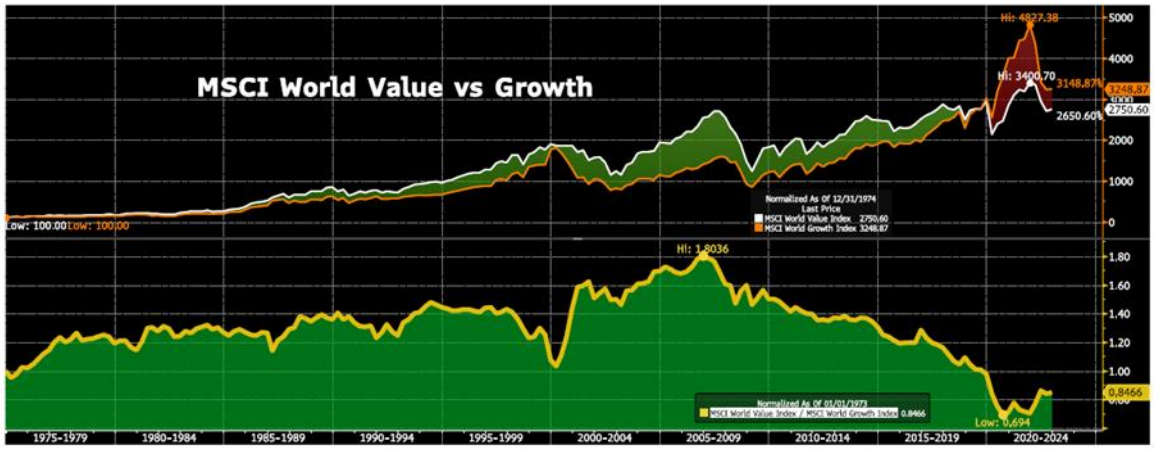
Bloomberg captured negative pre-announcements in the US (August 2022 data):



Source: Bloomberg

Value & Recovery – still towards the bottom of the cycle

Value vs. Growth, global and UK have rallied off the bottom of the cycle but have a long way to go:

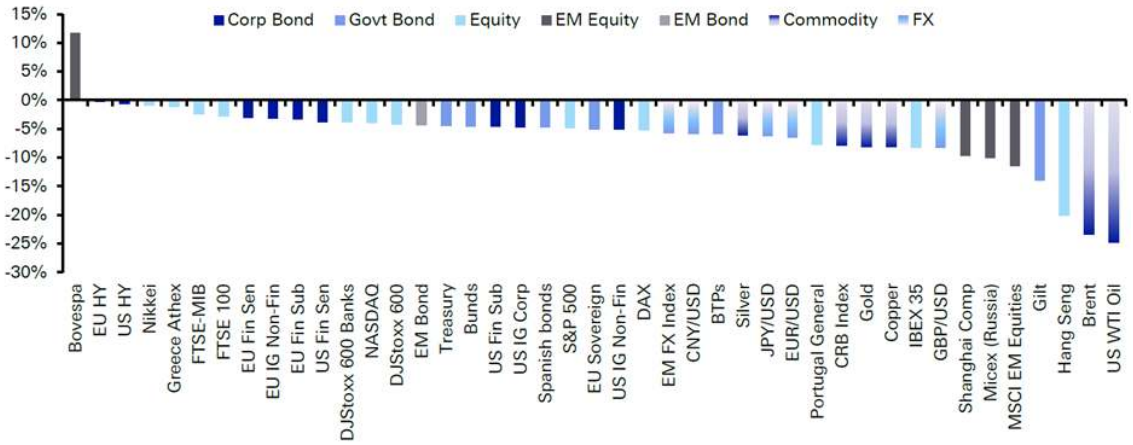


Source: Bloomberg

Source: Bloomberg

Market returns and our performance

Total Return of Financial Assets in Q3 2022 (local currency)



Source: Deutsche Bank

Global equity markets fell in Q3 2022 (MSCI ACWI -15.7% total return in USD) despite rallying hard in July and most of August. Losses were concentrated following Fed Chair Powell's speech at Jackson Hole on 26 August. Evidence of 'sticky' inflation measures increasing rather than declining sequentially have reinforced central bank commitment to fighting inflation, making summer considerations for a 'pivot'

towards looser monetary policy a distant memory. The US 10-year bond yield had an interesting journey from 3.0% at the end of June to 2.6% in early August, finishing at 3.8% at quarter end, having breached 4% for the first time since 2008. Longer duration equities significantly outperformed until mid-August but subsequently fell sharply as bond yields rose. UK gilts had an even wilder ride. The UK government's 'mini-budget' is aimed at boosting economic growth, but its unfunded nature spooked financial markets and saw the Bank of England step in with a temporary bond buying programme to stem losses in gilts. Sterling was initially weak, though this appears as much a feature of US dollar strength as anything (DXY +7% in Q3, +19% over 1 year). Broad dollar strength is contributing to tightening financial conditions outside the US – contributing to falling commodity prices (Brent oil -23%, copper -8%) – and brings to mind former US Treasury Secretary Connally's comment in the 1970s: "The dollar's our currency, but it's your problem." MSCI ACWI GBP returns of +1.4% were supported by this dollar strength.

- Value moved sideways over the period, and again was split between defensive value doing well and uncertainty value (more sensitive to the economic cycle or other worries) and SMID cap value doing badly.
- Our other key factors, namely recovery, multi-cap, out-of-favour growth and regional diversification were all weak and we are underweight the strong USD despite having some hedging in place.
- Smaller companies in particular have been very weak recently, pretty well all around the world. Domestic stocks have also been very out-of-favour.
- Despite having put quite a lot of capital into more defensive shares over the last year we are rarely that well placed when equity markets move to discount recession, essentially where we have transitioned to over the last few quarters.
- Our performance versus value? We have covered quite a lot of this already, but just to confirm. When there is a return to Value we normally fully participate. This time around we have lagged for three reasons: firstly we run multi-cap funds and the small and mid-cap stocks have significantly underperformed, including value SMIDS; secondly we have been pro-cyclical as we looked to exploit the recovery post Covid re-opening, including an overweight Consumer stocks – this positioning has not worked as the market has moved to discount a recession associated with monetary tightening; thirdly only part of the Value universe has worked, inflation hedge value (which we are overweight) has been OK and defensive value (where we added last year but are not overweight), meanwhile economically sensitive value has really struggled.
- Our long-term and (since PVT) inception returns are strong, especially versus value benchmarks and peers. My 30-year track record continues to annualise at over 4% p.a. ahead of the index.

Key performance contributors

Positive contributors during the quarter: US interest rate sensitives performed reasonably, underweight US MegaCap Tech (Apple, Tesla); individual stock successes (Cielo, PayPal, Crestchic).

Negative contributors: Overweight smaller companies; large cap defensive growth strong; consumer cyclicals, industrials and China stocks weak (Baidu, Ceconomy); individual stock disappointments (Baker Hughes).

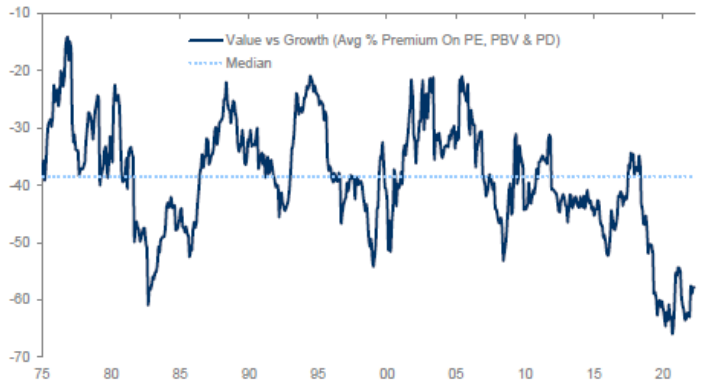
Some key charts that support our outlook

All around the world Value is still cheap relative to growth on all metrics including PE and price to book:

EU Value vs. Growth Average Valuation discount

Source: Morgan Stanley Research

UK Value vs. Growth Average Valuation Premium



Source: Morgan Stanley Research

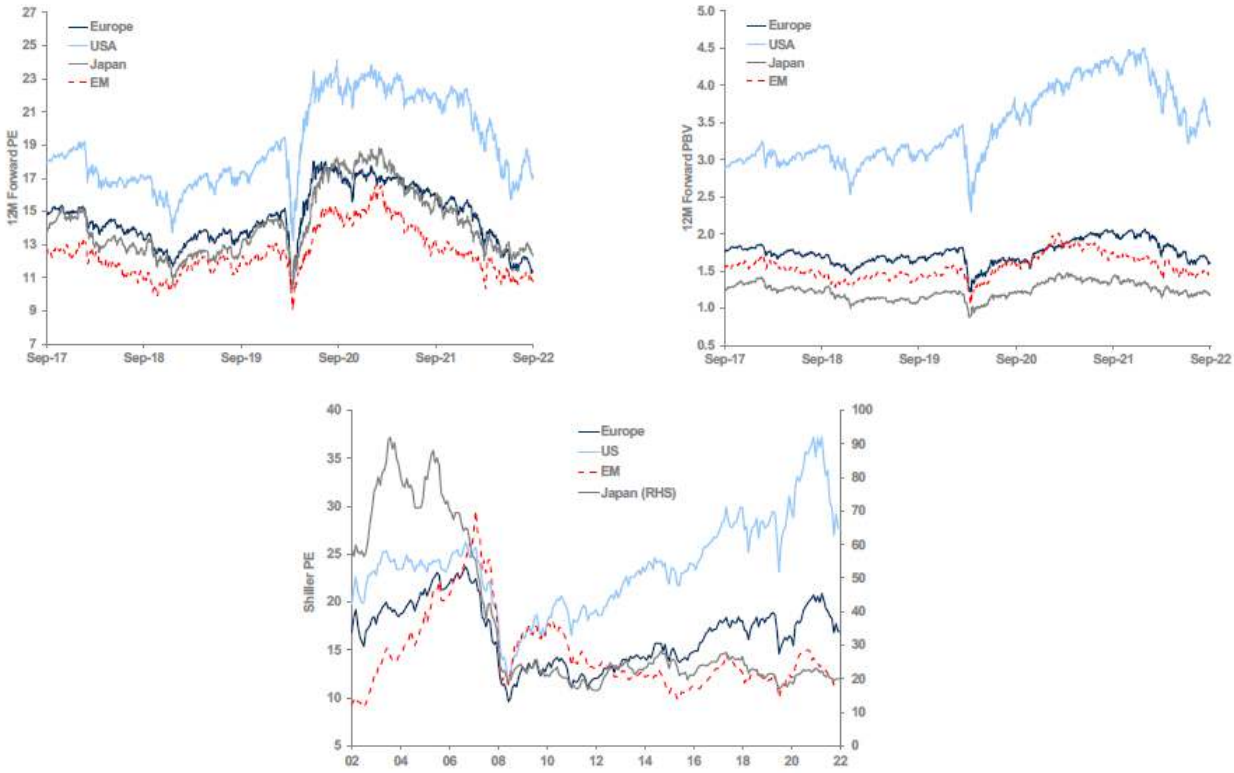
And value stocks in the UK and Europe are trading at Price to Books as low as they got during the depths of the GFC:

Median Holt P/B for Value Stocks (inc. Financials) – US, Europe and UK

Source: Credit Suisse Holt

Most equity markets around the world look great value, with most valuation metrics towards the low point of the cycle. US equities remain notably more expensive, though below some still very expensive large cap stocks there is plenty of value to be found amongst small and mid-cap stocks in the US:

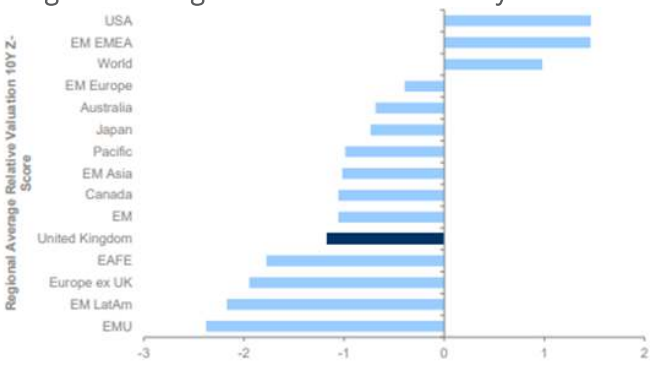
PEs, PBs and Shiller PEs around the world



Source: Morgan Stanley

Relative valuations around the world, based on a number of metrics paint the same picture: the US expensive, the rest of the world (RoW) looking attractive:

Regional Average Relative Valuations 10-year Z-Score



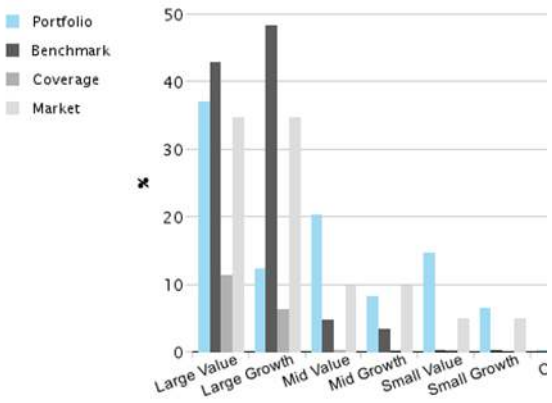
Source: Morgan Stanley Research

Activity and Positioning

We continue to position the portfolio for Value, Recovery, Multi-Cap investing, and for deeply out-of-favour structural / quality growers and greater regional diversification than the US centric benchmark.

The portfolio's value characteristics have become even more committed over the quarter; as explained above most of our shares are really, really cheap, the portfolio trades on around 9x earnings for 2022, a 1.1x price to book valuation, 0.8x price to sales and high single digit normalised cashflow yields. There is a robust multi-cap bias.

Portfolio allocation to Value and Growth stocks by size and versus benchmark (StyleAnalytics), big exposure to large, mid and small Value, big underweight large growth, focus of growth is undiscovered and out-of-favour small cap:



Source: StyleAnalytics

The market is paying quite full prices for certainty stocks (low volatility streams of profits and cash flow) and double discounting valuations for uncertainty stocks (any companies where there is a risk to short term profits and cash flow). The great thing at the moment is that the latter covers a very wide range of stocks, from deep value, to high quality (but a bit cyclical), to fast growth (but uncertain short term delivery), so my investable universe is very large. And in typical fashion I am buying a diversified portfolio of these opportunities, in a very gradual manner at very discounted valuations. The range (inter decile) of earnings multiples one is having to pay is say 3 to 13x or on sales 0.3 to 2x (my guide for de-rated digital platform stocks). And these are companies that on average have a history of growing at a reasonable pace. So, say the portfolio is on 9x earnings and grows over the next five years at nominal GDP of say 5% (2% GDP, and 3% inflation), then one would hope you should be locking in double digit annualised returns for the next few years.

Looking at the component parts of the portfolio, we added to the large cap deeper value stocks where market uncertainty seemed to increase during the period depressing valuations, including Anglo American, Eastern Chem, OMV, Pfizer, Barrick Gold and JP Morgan. Our focus (not deliberate, just catalysed by share price corrections) during the quarter continued to be adding to our exposure to medium term quality or growth compounders that have become recovery stocks because they are seen as exposed to the economic downturn and because forced sellers as capital flowed out of SMID cap funds created recovery type valuation anomalies, these included adding to our Paypal, Meta, Spotify and Mercadolibre positions, and buying initial positions in Home Depot, Splunk and Zillow. We continued to add to our S-PVT focused holdings, including Sony. And lastly, we continue to think about strategic value, especially at this time of crazy low valuations, including Capco. We have been continuing to add to our US equity positions, following the themes above and taking advantage of significant drawdowns; we now have 40% in US equities, still very underweight.

We are slowly adding to Real Estate stocks following their interest rate related de-rating. Whilst NAV's will need to fall to reflect yield increases this is now more than reflected in share prices that trade at 30 – 60% discounts to net assets for high quality estates. Meanwhile London remains a great global city and London assets are now priced at a pittance in USD terms so as soon as the environment allows, they are likely to see M&A interest. We added to Capco, British Land and have recently been buying BXP in the US.

Sales have included taking full profits where our PVT thesis has been delivered, most notably the continued recipients of M&A activity (Mediclinic, RPS); taking some profits in energy stocks following a

strong run (BP, Serica); reducing or exiting into relative strength (Compass, Renewi, Beazley, Smart Metering, Serco), and re-focusing capital towards higher conviction ideas (Petrofac, Fresnillo).

Some more detailed stock theses:

Draftkings is a top decile *Recovery* stock in Moneypenny. As a fantasy operator the company was one of the first movers in the US online gambling space and a combination of its early entry and strong offering has meant that it has maintained a high market share across every state that has legalised betting activities so far, consistently amongst the top 3 players. The company enjoys a well-established robust medium term growth potential on the back of the progressive regulation across the remaining US states, which I believe should ultimately prove highly profitable given the increase in the cost of capital is ultimately a positive for the well established players as competitors who wanted to build size by spending big to win market share increasingly withdraw, leaving a more rational market where established players can achieve profitability much earlier. Meanwhile the stock Valuation has gone from above 20x EV/Sales in the first quarter of 2021 to the current 2.6x EV/Sales, at a time when top line estimates continue to improve. Timing seems supportive with 2Q22 results above expectations both on revenues and profitability than expected where the company was able to lower costs ahead of expectation, integration of the Golden Nugget acquisition and potential partnership with ESPN, one of the main sport broadcasters in the US.

Paypal benefited from the covid-induced increase in e-commerce volumes across the world and with shares down c.70% from the peak in mid21', the stock is a top decile Recovery S-PVT. The significant drop in stock price has been on the back of revenue growth expectations decreasing from c. 23% to currently 15%. The huge drop YTD has created a significant Valuation gap, with the stock trading below 1std deviation from the average since listing in mid15' on a number of multiples such as PE, EV/EBITDA or EV/Sales. The catalyst for our investment in Paypal was Activist investor Elliot Management taking a stake, which we believe accelerates the delivery of a number of initiatives, such as: 1) a higher focus to reduce costs, mgmt. had already announced a reduction of $1.3bn fully delivered by FY23, 2) increased focus on capital allocation, company announced a new $15bn share buyback (c.15% of market cap at the current price) and guide for $4bn to be completed by FY22, 3) shed more light and concentrate efforts in PayPal's crown jewels, Braintree (large enterprise payment processing showing high levels of revenue growth) and Venmo, one of the top digital wallets in the US, with over 80m users and high revenue growth.

We continue to like Harbour Energy, the largest pure-play E&P (exploration & production) on the UK continental shelf (c15% of the UK's O&G production). Although it has a mature asset base, it is an important source of domestic energy and it operates in a relatively low-cost region. Harbour is taking action to achieve its Net Zero goal by 2025. In 1H22, the company reduced its GHG (greenhouse gas) emission intensity (scope 1 and 2) by -13% YoY (year on year) through a range of actions almost all of which are NPV (net present value) positive since they deliver improved uptime and/or lower fuel usage. The company has a strong track-record of organic reserve additions, extending field-life and growth via M&A. It is poised to benefit from an environment of higher for longer gas prices which should provide it with significant balance sheet optionality to fund future growth whilst continuing to improve the environmental performance of the portfolio as emission intensity is a key M&A criterion.

Singapore Telecommunications is a conglomerate that fully owns and operates Singtel (#1 telecommunications operator in Singapore) and Optus (#2 in Australia) and owns stakes amongst the leading operators in South-East Asia, such as a 32% of Bharti Airtel (#2 in India & presence in 14 countries in Africa), 47% of Globe (#1 in Philippines), 35% in Telkomsel (#1 in Indonesia) and 23% of AIS (#1 in Thailand). Singtel's return profile has been in decline over the long term, however, the new management team set up a new strategy, driving its Recovery Potential with the goal of both improving the profitability of its various businesses and also dispose of underperforming businesses and recycle

capital tied up in infra and/or digital assets. Valuation is underpinned by its 25% discount to a sum of the parts (SotP) fair value, including a 25% conglomerate discount. Additionally, SingTel currently trades c. 1 standard deviation below its L10Y average price to book value. Timing is positive as management have been delivering on their simplification strategy and the outlook for most of its businesses, including Bharti Airtel (the largest in the SotP), is for improving profitability.

Waters Corp is an under-appreciated compounder with defensive revenue as a global leader in lab-based speciality measurement in the pharma, industrial (food, environment & materials) and government / academic markets. The current equity value is mispricing a confluence of factors which are creating an exciting flywheel for accelerating value creation. Under new management, a revitalisation of the instruments product set has refreshed the installed base growth engine towards the top end of the peer group, which will flow through to attractive growth in services and consumable revenues (these recurring revenues are ~55% of the total). Operational gearing plus productivity benefits will allow 20-30bps p.a. margin accretion even accounting for re-investment to support growth beyond 2024, while deployment of FCF generation and utilisation of the conservative balance sheet on both buybacks and bolt-on M&A further underpin medium-term value per share growth. The YTD c.25% fall in Waters Corp share price is the largest share price drawdown the stock has suffered since 2011, which amidst the current market rotation created our entry opportunity, with our purchase price baking in sub-4% growth in perpetuity compared to mid-to-high single digit we anticipate and that has historically been delivered. We expect earnings upgrades can catalyse a re-rating.

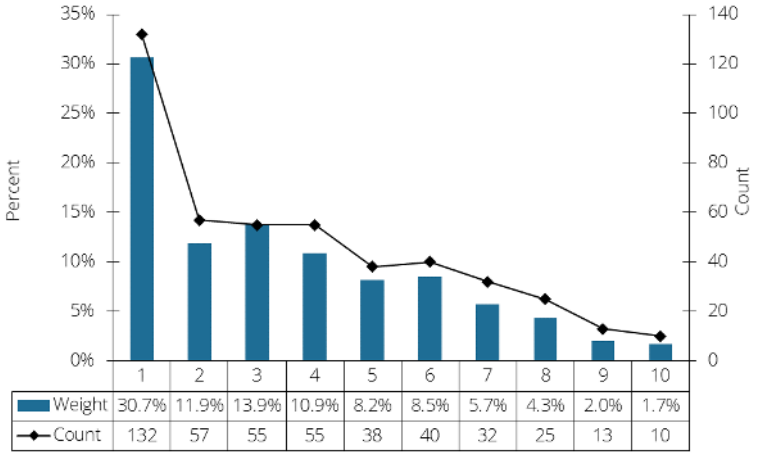
After the merger between Lojas Americanas and B2W into Americanas the company has become a leading omnichannel retailer in Brazil, we believe the investment case is very attractive driven by a continued improvement in profitability after the integration of the two businesses and the announcement of a management change in order to define the new strategy going forward, which seems to have been taken rather well by the market.

Another new stock we invested in Brazil is Sequoia Logistica e Transportes, a high Growth stock providing logistics and supply chain services both on a B2B and B2C model. The business was IPOed in late20' at BRL$12.4 and went on to a rapid rise until it peaked in Feb/Mar21' at c. BRL$31, since then the stock is down c. 80%. The company is very well exposed to the long-term growth of ecommerce in Brazil and has continued to deliver very solid revenue growth, above 30% YoY on a LTM basis. We believe the current Valuation multiples, below 10x PE, 5x EV/EBITDA and 0.7x EV/Sales, are very far from what you would expect from a profitable company with a robust long term Growth Potential.

Are we following our PVT and S-PVT Philosophy & Process and a consistently articulated style and factor bias?

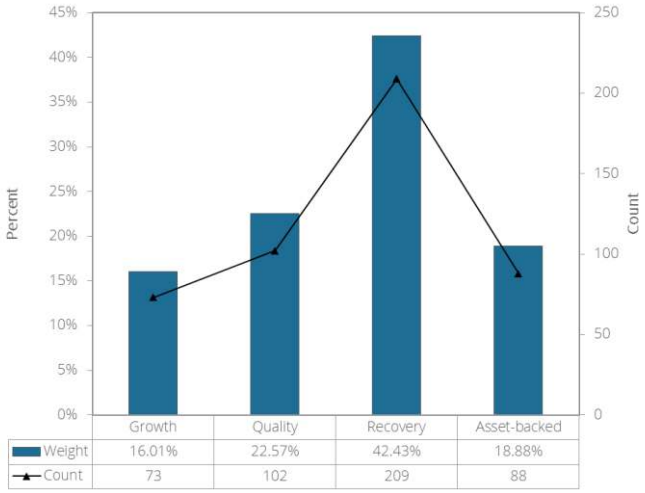
Yes. The portfolio remains clearly skewed towards high scoring MoneyPenny stocks; it has a clear Value bias; it has exposure to all four of our categories of Potential but with a greater tilt to *Recovery* and *Asset-backed*; it is a multi-cap portfolio.

Decile skew to 30 September 2022:



	1	2	3	4	5	6	7	8	9	10
Weight	30.7%	11.9%	13.9%	10.9%	8.2%	8.5%	5.7%	4.3%	2.0%	1.7%
Count	132	57	55	55	38	40	32	25	13	10

Category skew to 30 September 2022:



	Growth	Quality	Recovery	Asset-backed
Weight	16.01%	22.57%	42.43%	18.88%
Count	73	102	209	88

Source: River and Mercantile Asset Management LLP

Outlook

Catalysed by inflation pressures the world is being forced by Central Banks to move to a world of money costing a more normal (and ultimately more sustainable) amount. The monetary tightening and economic uncertainty associated with this transition is creating huge uncertainty, an aggressive discounting of risks and a few blow-ups (mini-budgets, pension fund liability management). But uncertainty creates investment opportunities and from my perspective there is amazing value out there. Who knows when the low point will be, though it should be pretty close given how 'end of the world' everything feels. I'm not sure I can ever remember having such a great combination of low valuations plus exposure to medium-term profits and cash growth in my equity portfolios. Very exciting, what more can I say. If one's not banging the table now and over the coming months of uncertainty, then I'm not quite sure when one would because these types of opportunities don't come along that often.

Thank you, as ever for your support and patience during these exacting times.

Hugh Sergeant
Head of Value and Recovery strategies

October 2022

FUND HOLDINGS AND PORTFOLIO WEIGHT

Holding	Weight (%)
PayPal	1.10
Meta	0.94
Pfizer	0.83
Baidu	0.81
Wells Fargo & Co.	0.79
Alibaba Group	0.71
State Street Corp	0.71
Citigroup	0.65
Walt Disney Company	0.64
Berkshire Hathaway	0.64
Bank of Ireland	0.63
Somero Enterprises	0.63
Knight-Swift Transportation	0.62
Marathon Oil	0.61
Bank of America	0.58
Amazon.com	0.57
Roche Holdings	0.56
D R Horton	0.54
Charles Schwab	0.51
Alphabet class A	0.50
Citizens Financial Group	0.48
Las Vegas Sands	0.48
Gresham House	0.48
Swire	0.47
Pinterest	0.47
Devon Energy	0.47
Huntington Bancshares	0.46
Schlumberger	0.46
Omnicom Group	0.45
General Electric Co	0.45
Harley Davidson	0.44
UBS Group	0.44
JPMorgan Chase	0.43
Richemont	0.43
Harbour Energy	0.43
Uber Technologies	0.42
Raytheon Technologies	0.42
Parker-Hannifin	0.42
Lloyds Bank	0.42
Cemex	0.41
Owens Corning	0.41
NOV	0.41
Criteo	0.40
Crestchic	0.40
Baker Hughes	0.40
Anglo American	0.40
Bayer	0.40
Banco Santander	0.39
Treasury Wine Estates	0.39
Netflix	0.39
Eni	0.39
Aumann	0.39
H&R Block	0.38
Jardine Cycle & Carriage	0.38
Bangkok Bank	0.38
Tenaris	0.38
Total	0.38
Sumitomo Mitsui Financial	0.38
Trip.com Group	0.38
Fiserv	0.38
Southwestern Energy	0.37
Rio Tinto	0.37
BNP Paribas	0.37
Verallia	0.37
JD.com, Inc. Class A	0.36
American Express	0.36
Spotify	0.36
Avnet	0.36
ING Group	0.36
Prosus	0.35
Cielo	0.35
Applied Materials	0.35
Shell	0.35
McKesson	0.34
Starbucks	0.34
Societe Generale	0.34
Draftkings	0.34
NatWest Group	0.34
Titan Cement International	0.33
Zions Bancorporation	0.33
Bank of Kyoto	0.33
Tosei	0.33
EFG Eurobank Ergasias	0.32
Stericycle	0.32
Intesa	0.31
Americanas	0.31
Mercadolibre	0.31
Nikon	0.31
eBay	0.31
Penn National Gaming	0.31
Antofagasta	0.30
First Interstate Bank	0.30
Delta Air Lines	0.30
Swatch Group	0.30
Prada	0.30
Resideo Technologies	0.30
Tencent	0.30
Viatris	0.30
ABSA Group	0.29
Blue Apron	0.29
Airbus	0.29
Unilever	0.29
Valid	0.29
Johnson Controls	0.29
Kitz Corp	0.29
Sprouts Farmers Market	0.28
MS&AD Insurance	0.28
Clear Sale	0.28
Standard Chartered	0.28
IBM	0.28
Whitbread	0.28
Capital & Counties	0.28
Affiliated Mgers Grp	0.27
FLSmidth & Co	0.27
Coca-Cola	0.27
Banco Bilbao Vizcaya	0.27
CK Hutchinson Holdings	0.27
Galp Energia	0.27
CGG	0.27
Delivery Hero	0.27
Zimmer Biomet Holdings	0.27
Micron Technology	0.27
Wynn Macau	0.27
Applus Services	0.26
Heidelberg Cement	0.26
PPC	0.26
TripAdvisor	0.26
DBS Holdings	0.26
East West Bank	0.26
Capri Holdings	0.26
Spirit Aerosystems	0.26
Cisco Systems	0.26
FinecoBank	0.26
Siemens	0.26
Industria De Diseno Textil	0.26
Almawave	0.26
Booking Holdings	0.25
SKF	0.25
Aryzta	0.25
Dai-ichi Life Insurance	0.25
Subsea 7	0.25
Oracle	0.25
Hunting	0.25
DeNA	0.25
Gilead Sciences	0.24
Banca Farmafactoring	0.24
Farfetch	0.24
The Cheesecake Factory	0.24
NKT	0.24
Capita	0.24
Kendrion	0.24
Intel	0.24
Grab Holdings	0.24
Exor	0.23
BorgWarner	0.23
Smith & Nephew	0.23
Naspers	0.23
Bristol-Myers Squibb	0.23
Bankinter	0.23
Wal Mart Stores	0.23
Ping an Insurance	0.23
Danieli & C Officine	0.23
Société Bic	0.23
Bloomin' Brands	0.23
China Everbright Int'l	0.23
China Lesso Group	0.23
Tremor International	0.23
Tencent Music Ent.	0.22
Infineon	0.22
Hongkong Land Holdings	0.22
Snap-On	0.22
Prudential	0.22
BASF	0.22
Iberdrola	0.22
Take-Two Interactive	0.22
Southwest Airlines	0.22
Mattel	0.22
Axalta	0.22
Mediobanca	0.22
ViacomCBS	0.22
Western Union	0.22
Nike	0.22
Vitesco Technologies	0.22
Allfunds Group	0.22
Sony Corp	0.22
Japan Post Holdings	0.22
Trend Micro Japan	0.22
Kraft Heinz Co	0.22
Van Lanschot	0.22
Mosaic	0.21
General Motors	0.21
Victoria's Secret & Co	0.21
Nomura Holdings	0.21
Fugro	0.21
Univar Solutions	0.21
Mohawk Industries	0.21
Docusign	0.21
Willis Towers Watson	0.21
Genting Singapore	0.21
Dropbox	0.21
Industrias Penoles	0.21
Sea Limited	0.21
HSBC Holdings	0.21
Eastman Chemical	0.21
Digital Value	0.20
Jumbo	0.20
Warner Bros Discovery	0.20
RHI Magnesita	0.20
Nokia (AB)	0.20
Fu Shou Yuan Int'l	0.20

Source: River and Mercantile Asset Management LLP

FUND HOLDINGS AND PORTFOLIO WEIGHT (CONTINUED)

Holding	Weight (%)
SATS	0.20
Axa	0.20
Moonpig	0.20
Dufry	0.20
Hutchison Port Holdings	0.20
Autohome	0.20
Flutter Entertainment	0.19
Schibsted	0.19
Yahoo Japan	0.19
Coca-Cola West Company	0.19
Societe TV Francaise 1	0.19
Consorcio ARA	0.19
Yum China	0.19
Fidelity China Special	0.19
HDFC Bank	0.19
Chegg	0.19
Fedex Corp	0.19
Bath & Body Works	0.19
Filtronic	0.19
Sabre Corp	0.19
Carnival	0.19
Neinor Homes	0.19
Darden Restaurants	0.19
Marriott International	0.19
Vodafone	0.18
Repsol	0.18
Sansei Technologies	0.18
Sleep Country Canada	0.18
FNAC Darty	0.18
Noah Holdings	0.18
Tsubakimoto Chain	0.18
Continental AG	0.18
Boeing	0.18
3M	0.18
Veolia Environment	0.18
Ceconomy	0.18
Tsubaki Nakashima	0.18
Adecco	0.18
Beijing Capital Intl Airport	0.18
Callaway Golf	0.18
Nvidia Corp	0.17
iQIYI	0.17
ABB Ltd	0.17
The Home Depot	0.17
Imax	0.17
Elis	0.17
Greentown Service Group	0.17
British Land	0.17
Westrock	0.17
Fresenius	0.17
Artisan Partners A.M.	0.17
Splunk	0.17
ThyssenKrupp	0.17
Microsoft	0.17
Cegedim	0.17
Agco Corp	0.17
Softbank	0.17
Volkswagen	0.17
Chow Sang Sang	0.17
Henkel	0.17
Vicat	0.17
Dowa	0.17
GAM	0.17
Waters	0.17
AT&T	0.17
RWS Holdings	0.16
Re/Max Holdings	0.16
Shangri-La Asia	0.16
Global Payments	0.16
Toyota	0.16

Holding	Weight (%)
SAP	0.16
Siemens Energy	0.16
Adidas	0.16
Scor	0.16
Wing Tai	0.16
Multichoice Group	0.16
Universal Music Group	0.16
Dormakaba Holding	0.16
Tadano	0.16
Hi Sun Technology	0.16
Taiheiyo Cement	0.16
Wisdomtree Investments	0.16
Saint-Gobain Group	0.16
Poste Italiane	0.16
Toyota Industries	0.15
Brasil Bolsa Balcao	0.15
Kyocera Corp	0.15
Canada Goose Holdings	0.15
OMV Group	0.15
Herige	0.15
Tullow Oil	0.15
Bpost	0.15
Weyerhaeuser	0.15
TraXion	0.15
Prosiebensat.1 Media	0.15
JD Logistics	0.15
Acerinox	0.15
Haitong Securities	0.15
China Merchants Bank	0.15
Eckoh	0.14
Wickes	0.14
Trisul	0.14
Anima	0.14
Fluor Corporation	0.14
Lojas Renner	0.14
Fraser and Neave	0.14
Eurazeo	0.14
Hong Kong Exchanges	0.13
Centrica	0.13
JAFCO Co	0.13
Tinexta	0.13
Airbnb	0.13
Coats	0.13
Volvo	0.13
Tsumura & Co	0.13
Rakuten	0.13
Rolls-Royce	0.13
Melia Hotels International	0.13
LG Chem	0.13
MFE-MediaForEurope	0.13
Seco Tools	0.13
Nexi	0.13
The Restaurant Group	0.13
Roblox	0.13
Fukuda Denshi	0.13
Porsche Automobil	0.12
Koninklijke Philips	0.12
Vimeo	0.12
GMO Internet	0.12
Rent the Runway	0.12
Singtel	0.12
Gruppo MutuiOnline	0.12
ASOS Holdings	0.12
Alkemy	0.12
Hello Group	0.12
BMV	0.12
Frankfurt Airport	0.12
Meyer Burger	0.12
Samsung Electronics	0.12
Kyndryl Holdings	0.12

Holding	Weight (%)
ams	0.12
Antares Vision	0.11
Okamoto Industries	0.11
Value Partners	0.11
Lincoln Electric Holdings	0.11
Telefonica	0.11
Vital KSK	0.11
Imerys	0.11
Bukalapak.com	0.11
Barrick Gold	0.11
PPG Industries	0.11
Lumber Liquidators	0.11
GAN	0.11
Landis+Gyr	0.11
Nitto Denko	0.11
Seino Holdings	0.11
Fourlis Holdings	0.11
BP	0.11
Banco Do Brasil	0.11
Heijmans	0.11
FANUC	0.10
Daimler Truck	0.10
On the Beach Group	0.10
Piraeus Port Authority	0.10
Whirlpool Corporation	0.10
Danone	0.10
RealReal	0.10
Bang & Olufsen	0.10
LG Household & Health Care	0.10
Piaggio	0.10
Logitech International	0.10
Qualcomm	0.10
Toppa	0.10
Accenture	0.10
Hellenic Exchanges	0.10
Hellofresh	0.10
Iveco	0.10
2U	0.09
Genomma Lab	0.09
Essilorluxottica	0.09
Valmet	0.09
Sequoia Logistica e Transp	0.09
Stellantis	0.09
Marvell Technology	0.09
Nichi-Iko Pharmaceutical	0.08
Aker Carbon Capture	0.08
Cosco Capital	0.08
Kerlink	0.08
Datalogic	0.08
Geely Automobile Holdings	0.08
Solocal Group	0.08
Alibaba Health IT	0.07
Tune Protect	0.07
CIMB Group	0.07
GDS Holdings	0.07
Kingsoft Cloud	0.07
MFE-MediaForEurope	0.06
Atos	0.06
Eucatex	0.06
Dometic Group	0.06
Metso Outotec	0.06
Bank of China (Hong Kong)	0.06
Carlsberg	0.06
Ping An Good Doctor	0.06
Fortive	0.06
Henry Schein	0.06
Beyond Meat	0.06
Cairn Homes	0.06
NXP Semiconductor	0.06
Nucor	0.05

Source: River and Mercantile Asset Management LLP

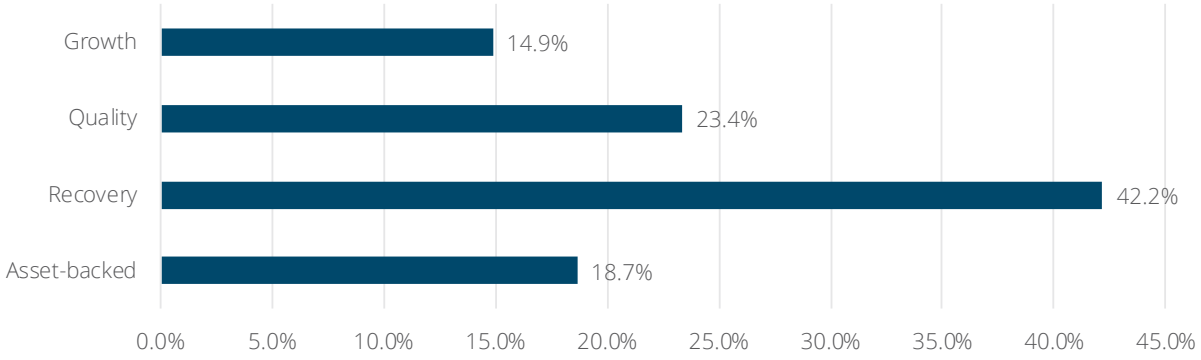
FUND HOLDINGS AND PORTFOLIO WEIGHT (CONTINUED)

Holding	Weight (%)
Yageo	0.05
Mitsubishi Estate	0.05
NEOWIZ	0.05
Pola Orbis	0.05
Kering	0.05
Recticel	0.05
KION Group	0.05
Rangers International FC	0.05
Base	0.05
The Weir Group	0.05
Chanjet Info Technology	0.05
Tachi-S Co	0.04
Hayward Holdings	0.04
Snap	0.04
Nippon Paint	0.04
Bilibili	0.04
Zillow Group	0.04
SIT	0.02
Neogen	0.01
CIE Financiere Richemont	0.00
Jackson Financial	0.00
Mail.ru	0.00
Cash	0.90
TOTAL	**100.00**

Source: River and Mercantile Asset Management LLP

PVT CATEGORIES OF POTENTIAL

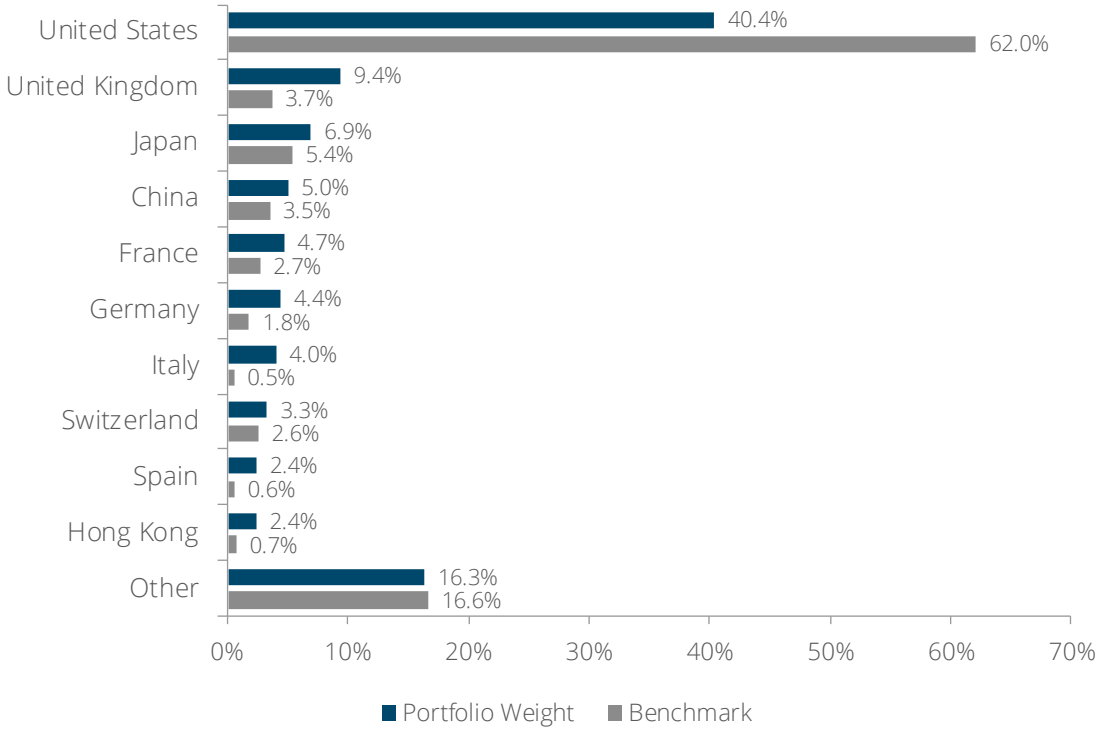
This chart shows the weighting of the fund's holdings across the four categories of Potential, related to the stages of a company's life cycle, as defined within the R&M investment philosophy known as 'PVT' – Potential, Valuation, Timing.



Source: River and Mercantile Asset Management LLP

COUNTRY WEIGHTS

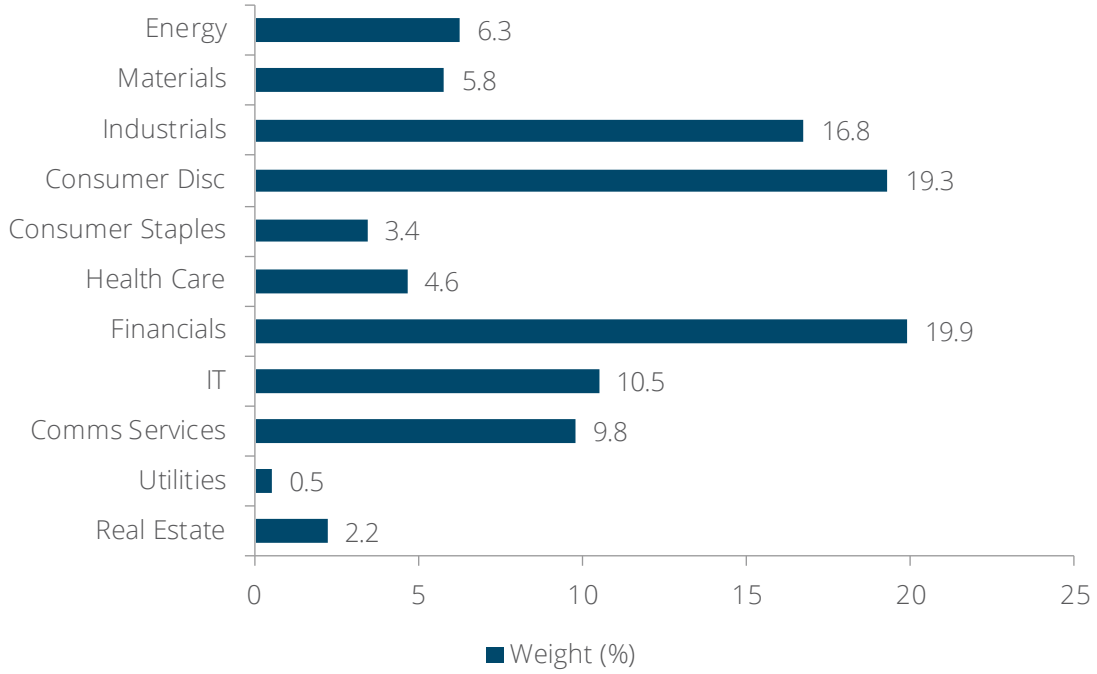
This chart shows a comparison of fund and benchmark weightings across the fund's 10 highest weighted countries.



Source: FactSet

INDUSTRIAL SECTOR WEIGHTS

This graph shows fund weightings across the industrial sectors classified by the MSCI Global Industry Classification Standard (GICS).



Source: FactSet

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'.

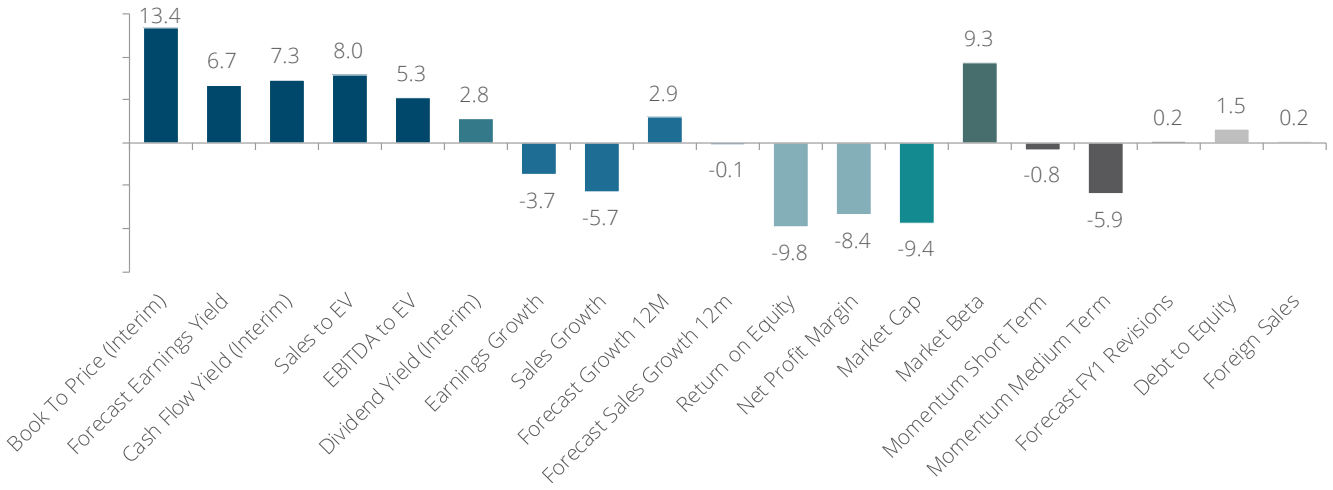
Overweights	Sector	Fund %	Benchmark %	Active %
PayPal	Information Technology	1.10	0.18	0.91
Baidu	Communication Services	0.81	0.06	0.74
State Street Corp	Financials	0.71	0.04	0.66
Bank of Ireland	Financials	0.63	0.00	0.63
Somero Enterprises	Industrials	0.63	0.00	0.63
Knight-Swift Transportation	Industrials	0.62	0.01	0.60
Marathon Oil	Energy	0.61	0.03	0.58
D R Horton	Consumer Discretionary	0.54	0.04	0.49
Citigroup	Financials	0.65	0.16	0.49
Wells Fargo & Co.	Financials	0.79	0.30	0.49

Underweights	Sector	Fund %	Benchmark %	Active %
Apple	Information Technology	0.00	4.34	-4.34
Microsoft	Information Technology	0.17	3.21	-3.04
Alphabet class A	Communication Services	0.50	2.17	-1.67
Amazon.com	Consumer Discretionary	0.57	2.01	-1.44
Tesla Inc	Consumer Discretionary	0.00	1.36	-1.36
UnitedHealth	Health Care	0.00	0.92	-0.92
Johnson & Johnson	Health Care	0.00	0.83	-0.83
Exxon Mobil	Energy	0.00	0.71	-0.71
Taiwan Semi Mfng	Information Technology	0.00	0.64	-0.64
Nestle	Consumer Staples	0.00	0.59	-0.59

Source: FactSet

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
PayPal	0.81%	0.21%
Crestchic	0.39%	0.14%
Blue Apron	0.21%	0.12%
Pinterest	0.34%	0.12%
Swire Pacific	0.40%	0.11%
Cielo	0.27%	0.10%
Alphabet class A	-1.75%	0.10%
H&R Block	0.36%	0.09%
Harbour Energy	0.37%	0.08%
Uber Technologies	0.29%	0.08%

Greatest Negative Contribution	Average Active Weight	Contribution to Active Return
Apple	-4.45%	-0.35%
Tesla Inc	-1.28%	-0.29%
Amazon.com	-1.47%	-0.19%
Baidu	0.79%	-0.16%
Alibaba Group	0.45%	-0.14%
Ceconomy	0.15%	-0.11%
China Lesso Group	0.26%	-0.11%
Greentown Service Group	0.19%	-0.10%
Cegedim	0.22%	-0.09%
Capital & Counties	0.31%	-0.09%

Source: FactSet

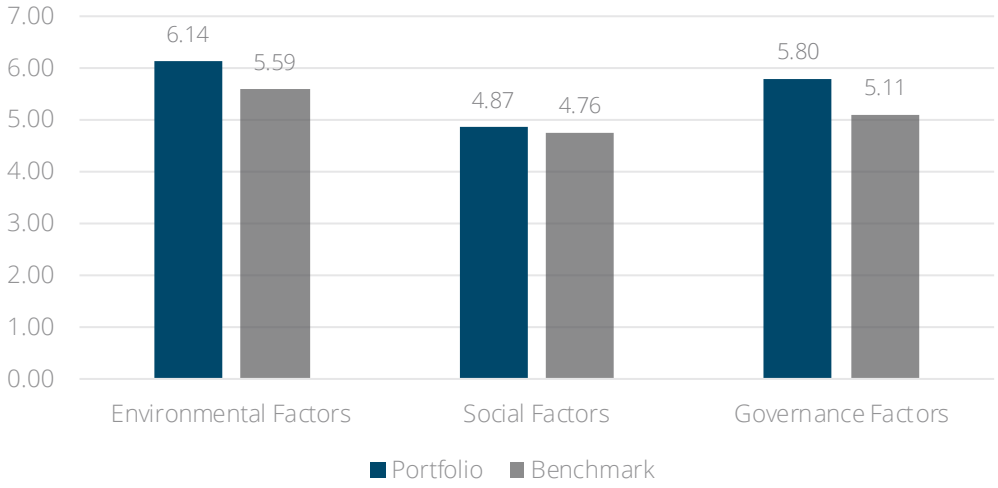
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FACTOR ANALYSIS

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	90.4%	99.9%
Assets scoring in the bottom decile	0.1%	0.4%

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
Harley Davidson	0.4%	0.0%	AAA	10.0
Societe Generale	0.3%	0.0%	AAA	10.0
Johnson Controls	0.3%	0.1%	AAA	10.0
Sprouts Farmers Market	0.3%	0.0%	AAA	10.0
Banco Bilbao Vizcaya	0.3%	0.1%	AAA	10.0
Galp Energia	0.3%	0.0%	AAA	10.0
Société Bic	0.2%	0.0%	AAA	10.0
Sony Corp	0.2%	0.2%	AAA	10.0
Yahoo Japan	0.2%	0.0%	AAA	10.0
British Land	0.2%	0.0%	AAA	10.0

10 lowest rated ESG companies held by fund	Portfolio Weight	Benchmark Weight	Company Rating	Industry Adjusted Score
NEOWIZ	0.1%	0.0%	CCC	0.9
Porsche Automobil	0.1%	0.0%	B	1.4
iQIYI	0.2%	0.0%	B	1.6
Hello Group	0.1%	0.0%	B	1.6
Vitesco Technologies	0.2%	0.0%	B	1.7
Digital Value	0.2%	0.0%	B	1.7
Carnival	0.2%	0.0%	B	1.7
Stericycle	0.3%	0.0%	B	1.8
Autohome	0.2%	0.0%	B	1.9
Tinexta	0.1%	0.0%	B	2.1

Source: MSCI ESG Research, ©2022 MSCI ESG Research LLC. Reproduced by permission.

BROKER COMMISSIONS ANALYSIS

Counterparty	Total (£)	Commission Paid (£)
		Execution Only
ABG SUNDAL COLLIER	102,967.47	61.78
ATLANTIC SECURITIES	1,188,560.62	713.17
BANCO ITAU	76,882.16	76.89
BARCAP	175,650.63	105.38
BERENBERG	18,334.41	11.00
BofA MERRILL LYNCH	0.00	0.00
BTG PACTUAL	223,243.33	223.23
CANACCORD ALGO	126,845.86	50.74
CANACCORD GENUITY	0.00	0.00
CENKOS	18,937.50	15.15
CITI PROG	202,599.86	81.05
CITIGROUP	199,066.05	119.45
CLSA	26,719.44	18.70
CREDIT SUISSE	20,561.22	12.34
EXANE	59,835.03	35.90
FINNCAP	0.00	0.00
GBM	0.00	0.00
GOLDMAN SACHS	0.00	0.00
GOODBODY	33,230.67	26.58
HSBC	248,340.51	168.48
ING	50,625.61	30.38
INSTINET	21,587.59	12.96
INVESTEC	0.00	0.00
ITG	44,694.42	26.82
ITG ALGO	32,656.72	13.06
J&E DAVY	0.00	0.00
JANE STREET	0.00	0.00
JEFFERIES	708,036.17	455.10
JEFFERIES ALGO	245,312.87	98.15
JPMORGAN CHASE	91,205.27	57.19
KEPLER CHEUVREUX	84,735.28	50.87
LIBERUM	0.00	0.00
LIQUIDNET	364,174.32	218.54
MEDIOBANCA	155,676.05	93.41
MIZUHO	307,176.90	184.29
MORGAN STANLEY	453,552.49	286.05
NORTHERN TRUST CORP	53,055.10	31.84
NPLUS1 SINGER	0.00	0.00
NUMIS	77,373.92	61.92
PANMURE GORDON	0.00	0.00
PEEL HUNT	41,034.96	32.84
RAYMOND JAMES	278,455.00	167.08
RBC	0.00	0.00
RBC ALGO	330,819.04	132.34
REDBURN	0.00	0.00
SANTANDER	114,414.83	183.06
SHORE CAPITAL	50,152.05	38.66
STIFEL EUROPE	0.00	0.00
STIFEL NICOLAUS	316,885.86	190.11
SUSQUEHANNA INTERNATIONA	0.00	0.00
UBS	898,662.93	552.05
UBS PROG	0.00	0.00
WINTERFLOOD	173,796.91	139.06
FLOWTRADERS	0.00	0.00
CONFIRMED FUND PRICE	0.00	0.00
OPTIVER	0.00	0.00
LLOYDSCRE	0.00	0.00
BANK OF MONTREAL	932,879.78	559.75
BTIG	0.00	0.00
LIQUIDNET ALGO	0.00	0.00
JEFFRIES	60,719.73	60.72
NUMIS ALGO	317,134.21	126.86
DEUTSCHE (DATI)	0.00	0.00
	£ 8,926,592.77	£ 5,522.95

Firm Wide Comparators

All Equity Trading	**£**	**580,491,977.86**	**£329,573.14**
Trades:	**£**	**8,926,592.77**	**£5,522.95**
Average Firm-Wide Commission Rate (%)			0.06%
: Average Commission Rate (%)			0.06%

Source: River and Mercantile Asset Management LLP

IMPORTANT INFORMATION

River and Mercantile Global Recovery Fund (the "Fund") is approved by the Central Bank of Ireland and is an open-ended fund of River and Mercantile Investments ICAV (the "ICAV"), an Irish collective asset management vehicle umbrella fund with segregated liability between sub-funds. The ICAV is registered in Ireland by the Central Bank of Ireland and authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as may be amended from time to time and any rules or notices made by the Central Bank of Ireland pursuant to them which are applicable to the ICAV.

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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, the Supplement to the Prospectus and the Key Investor Information Documents (KIIDs) (available from www.riverandmercantile.com).

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