



RIVER AND MERCANTILE

# ES RIVER AND MERCANTILE UK DYNAMIC EQUITY FUND

Quarterly report to 31 December 2022

*For unitholders only*

# ES River and Mercantile UK DYNAMIC EQUITY FUND

Quarter 4, 2022

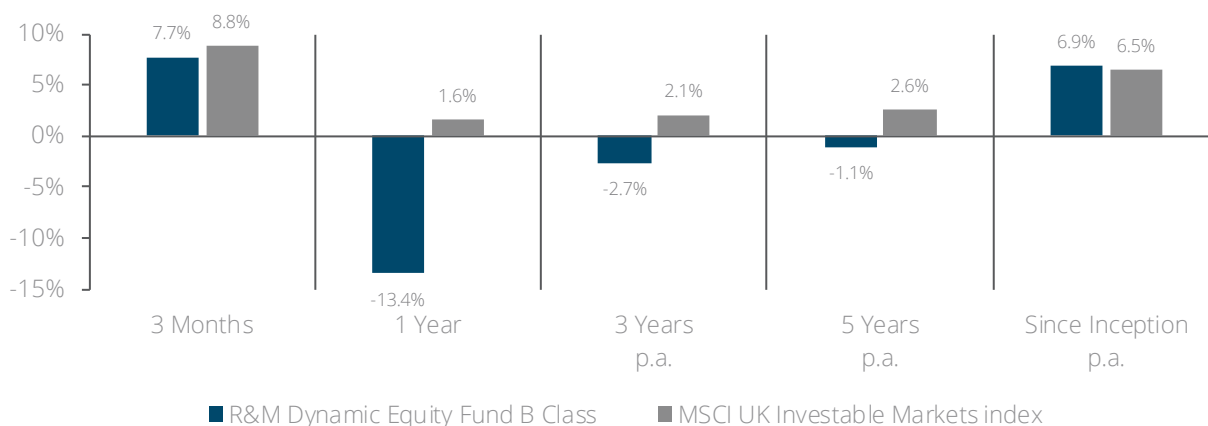
RIVER AND MERCANTILE

## 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)

	Fund	Benchmark	Difference
3 months	7.7%	8.8%	-1.1%
1 year	-13.4%	1.6%	-15.0%
3 years (p.a.)	-2.7%	2.1%	-4.7%
5 years (p.a.)	-1.1%	2.6%	-3.7%
Since Inception (p.a.)	6.9%	6.5%	0.4%



	Fund	Benchmark	Difference
3 years (cumulative)	-7.8%	6.4%	-14.1%
5 years (cumulative)	-5.5%	13.6%	-19.2%
Since inception (cumulative)	95.6%	88.3%	7.2%

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 (accumulation units) and is calculated using the midday published price, net of an annual management charge of 0.75% per annum. Please note that the benchmark performance is calculated using close of business mid-market prices. Other share classes may be available.

**Past performance is not a reliable indicator of future results.**

## PORTFOLIO SUMMARY AND KEY RISK CHARACTERISTICS

Fund AUM	£42.4m	Portfolio volatility	18.0 %
Strategy capacity	£2bn	Benchmark volatility	14.4 %
Inception date	22/03/2007	Portfolio beta	1.14
Number of stocks	50	Tracking error	7.9 %
		Active money	82.6 %

Source: River and Mercantile Asset Management LLP, StyleAnalytics

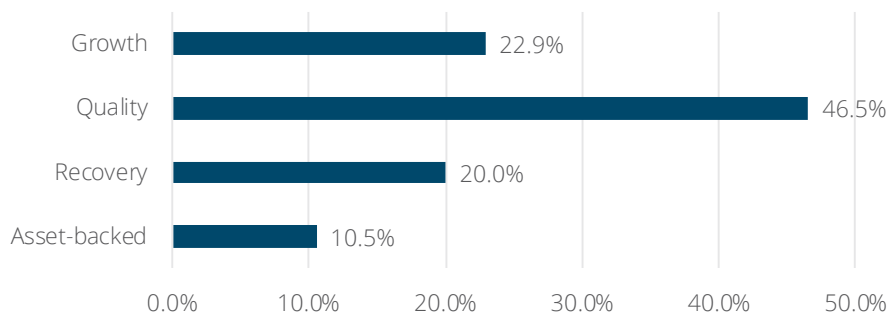
## SYNTHETIC RISK AND REWARD INDICATOR



The Synthetic Risk and Reward Indicator (SRRI) is based on how much the returns of the shares have varied over the last five years, or since launch (whichever is the shorter period). The higher the rank the greater the potential reward but also the greater the risk of losing money.

## PVT CATEGORIES OF POTENTIAL

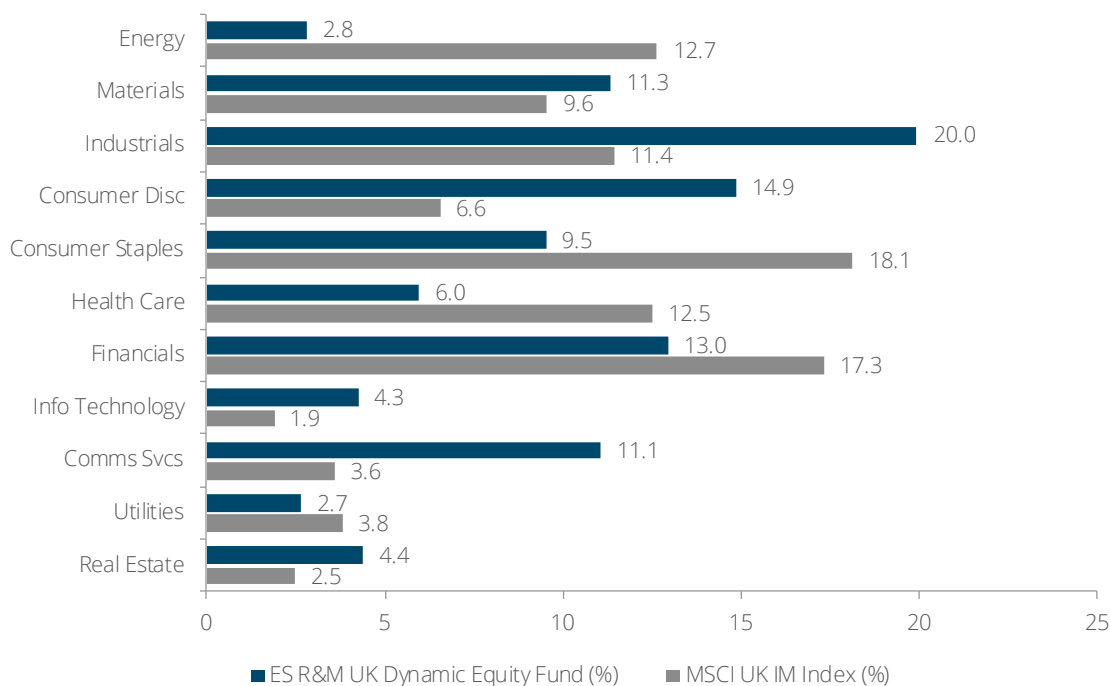
This chart shows the weighting of the fund's holdings across the four categories of Potential, related to the stages of a company's life cycle, as defined within the R&M investment philosophy known as 'PVT' – Potential, Valuation, Timing.



Source: River and Mercantile Asset Management LLP

## INDUSTRIAL SECTOR WEIGHTS

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



Source: FactSet

## MARKET CAP DISTRIBUTION

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

		Fund	Benchmark	Active
Mega Cap	£20bn +	17.1%	66.7%	-49.5%
Large Cap	£4bn - £20bn	29.8%	20.0%	9.8%
Mid Cap	£2bn - £4bn	15.8%	5.9%	9.9%
Small Cap	£100m - £2bn	37.1%	7.4%	29.7%

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

## TOP 10 ACTIVE POSITIONS VS THE BENCHMARK

This table highlights the securities in which the fund weight differs most from that of the benchmark, with the 'overweights' showing 10 securities with the greatest weight difference above the benchmark's position, and the 'underweights' showing 10 securities with the greatest weight difference below the benchmark's position. The difference is known as the 'active weight'.

Overweights	Sector	Fund	%	
			Benchmark	Active
Conduit Holdings	Financials	3.71	0.00	3.71
Tate & Lyle	Consumer Staples	3.22	0.14	3.08
Whitbread	Consumer Discretionary	3.29	0.25	3.04
OSB Group	Financials	3.03	0.10	2.93
Gamma Communications	Communication Services	2.96	0.04	2.92
Serco	Industrials	2.99	0.09	2.90
ConvaTec Group	Health Care	3.06	0.18	2.88
The Weir Group	Industrials	2.95	0.21	2.75
Spirent Communications	Information Technology	2.80	0.08	2.72
Auto Trader	Communication Services	2.91	0.23	2.68

Underweights	Sector	Fund	%	
			Benchmark	Active
AstraZeneca	Health Care	1.63	8.24	-6.61
Shell	Energy	1.74	8.01	-6.27
HSBC Holdings	Financials	0.00	4.88	-4.88
BP	Energy	0.00	4.24	-4.24
Diageo	Consumer Staples	0.00	3.94	-3.94
Unilever	Consumer Staples	1.53	5.05	-3.52
British American Tobacco	Consumer Staples	0.00	3.32	-3.32
Rio Tinto	Materials	0.00	3.09	-3.09
GSK	Health Care	0.00	2.77	-2.77
Glencore	Materials	0.00	2.56	-2.56

Source: FactSet

## TOP 10 HOLDINGS

This table shows the fund's ten largest holdings.

	Weight (%)
Conduit Holdings	3.7
Whitbread	3.3
Tate & Lyle	3.2
ConvaTec Group	3.1
OSB Group	3.0
Serco	3.0
WPP	3.0
Gamma Communications	3.0
The Weir Group	3.0
Auto Trader	2.9

Source: River and Mercantile Asset Management LLP

## 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
Diageo	-4.05%	0.55%
DFS Furniture	1.55%	0.53%
Conduit Holdings	3.35%	0.46%
B&M	1.38%	0.32%
Vodafone	-1.22%	0.30%
The Weir Group	2.79%	0.28%
Essentra	1.59%	0.27%
Shell	-6.56%	0.27%
Elementis	1.10%	0.25%
Drax	2.10%	0.22%

Greatest Negative Contribution	Average Active Weight	Contribution to Active Return
Moonpig	2.01%	-0.95%
Watkin Jones	0.99%	-0.68%
Harbour Energy	1.19%	-0.63%
RS Group	2.37%	-0.40%
DCC	1.61%	-0.36%
Future	2.27%	-0.30%
Serco	3.10%	-0.29%
Spirent Communications	2.80%	-0.28%
Rio Tinto	-2.84%	-0.27%
AstraZeneca	-6.37%	-0.25%

Source: FactSet

## BROKER COMMISSIONS ANALYSIS

Counterparty	Total (£)	Commission Paid (£)	
		Execution Only	
ABG SUNDAL COLLIER	0.00	0.00	0.00
ATLANTIC SECURITIES	0.00	0.00	0.00
BANCO ITAU	0.00	0.00	0.00
BARCAP	249,378.00	199.50	0.00
BERENBERG	0.00	0.00	0.00
BTG PACTUAL	0.00	0.00	0.00
CANACCORD ALGO	192,061.61	76.82	0.00
CANACCORD GENUITY	0.00	0.00	0.00
CITI PROG	0.00	0.00	0.00
CITIGROUP	0.00	0.00	0.00
CLSA	0.00	0.00	0.00
CREDIT SUISSE	0.00	0.00	0.00
EXANE	0.00	0.00	0.00
FINNCAP	108,910.23	87.13	0.00
GBM	0.00	0.00	0.00
GOODBODY	0.00	0.00	0.00
HSBC	0.00	0.00	0.00
ING	0.00	0.00	0.00
INSTINET	0.00	0.00	0.00
INVESTEC	0.00	0.00	0.00
ITG	42,677.70	25.61	0.00
ITG ALGO	224,888.60	89.96	0.00
J&E DAVY	0.00	0.00	0.00
JEFFERIES	0.00	0.00	0.00
JEFFERIES ALGO	286,321.26	114.53	0.00
JPMORGAN CHASE	948,772.22	759.02	0.00
KEPLER CHEUVREUX	0.00	0.00	0.00
LIBERUM	706,824.43	424.09	0.00
LIQUIDNET	726,573.42	435.94	0.00
MEDIOBANCA	0.00	0.00	0.00
MIZUHO	0.00	0.00	0.00
MORGAN STANLEY	0.00	0.00	0.00
NORTHERN TRUST CORP	0.00	0.00	0.00
NPLUS1 SINGER	0.00	0.00	0.00
NUMIS	13,941.02	11.15	0.00
PANMURE GORDON	150,800.00	120.64	0.00
PEEL HUNT	62,459.98	49.97	0.00
RAYMOND JAMES	0.00	0.00	0.00
RBC	0.00	0.00	0.00
RBC ALGO	0.00	0.00	0.00
SANTANDER	0.00	0.00	0.00
SHORE CAPITAL	0.00	0.00	0.00
STIFEL EUROPE	0.00	0.00	0.00
STIFEL NICOLAUS	0.00	0.00	0.00
UBS	0.00	0.00	0.00
UBS PROG	0.00	0.00	0.00
WINTERFLOOD	67,240.00	53.79	0.00
BANK OF MONTREAL	0.00	0.00	0.00
BTIG	0.00	0.00	0.00
LIQUIDNET ALGO	0.00	0.00	0.00
JEFFRIES	0.00	0.00	0.00
NUMIS ALGO	139,285.57	55.71	0.00
	<b>£ 3,920,134.04</b>	<b>£ 2,503.86</b>	

### Firm Wide Comparators

All Equity Trading	£	360,370,003.31	£219,850.85
Trades:	£	3,920,134.04	£2,503.86
Average Firm-Wide Commission Rate (%)			0.06%
Average Commission Rate (%)			0.06%



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