

# JOHCM Global Select Fund

## Fund strategy

The Fund employs a growth at a reasonable price (GARP) investment philosophy, which is sometimes described as a core focus with a growth bias. The Fund seeks to own stocks, sectors and countries with positive earnings surprise, sustainably high or increasing return on equity, and attractive valuations. The Fund's management team offers the unique capability of blending both a bottom-up and a top-down investment research approach to the portfolio construction process. The team uses a multidimensional investment process that considers growth, valuation, price-trend, and beta characteristics.

### Performance highlights

Growth of a \$10,000 investment (03/21/13 - 03/31/24)



### Total return (%)

Periods ended March 31, 2024

	3m	YTD
Institutional Share	12.21	12.21
Advisor Share	12.24	12.24
Benchmark	8.20	8.20

### Average annual total return (%)

Periods ended March 31, 2024

	1 yr	3 yrs	5 yrs	10 yrs	SI
Institutional Share	20.98	-0.10	8.78	7.25	9.02
Advisor Share	20.88	-0.18	8.67	7.15	8.92
Benchmark	23.22	6.96	10.92	8.66	9.40

The performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's current performance may be lower or higher than the performance data quoted. Investors may obtain performance information current to the most recent month-end, within 7 business days at [www.johcm.com](http://www.johcm.com) or by calling 1-866-260-9549 or 1-312-557-5913.

Returns for periods of 1 year and less are not annualized. Returns shown, unless otherwise indicated, are total returns, net of fees, with dividends and income reinvested. Fee waivers are in effect; if they had not been in effect performance would have been lower.

The MSCI All Country World Index (ACWI) is a market-capitalization-weighted index composed of over 2,000 companies, and is representative of the market structure of 48 developed and emerging market countries in North and South America, Europe, Africa, and the Pacific Rim. The index is calculated with net dividends reinvested in U.S. dollars. Indices mentioned are unmanaged statistical composites of stock market performance. Investing in an index is not possible.

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## Morningstar ranking (Institutional Share - World Large Stock category)

1 year		3 years		5 years		10 years	
Rank	Percentile	Rank	Percentile	Rank	Percentile	Rank	Percentile
242/354	58%	281/322	81%	258/279	88%	180/188	92%

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## Institutional Share

### Fund details

Fund size	\$ 61.19mn
Strategy size	\$ 3.51bn
Benchmark	MSCI AC World NR
No. of holdings	41
Fund objective	Seeks long-term capital appreciation

Total strategy assets updated quarterly and shown as at 31 March 2024.

### Share class details

#### Institutional

Inception date	March 21, 2013
Ticker	JOGIX
CUSIP	46653M708
Expense ratio	1.02% gross / 0.99% net

#### Advisor

Inception date	March 21, 2013
Ticker	JOGEX
CUSIP	46653M807
Expense ratio	1.12% gross / 1.09% net

J O Hambro Capital Management Limited has contractually agreed to waive fees and reimburse expenses so that the Net Total Operating Expenses do not exceed the stated amounts until February 1, 2025.

## Fund managers



### Christopher Lees

Senior Fund Manager  
Chris has managed the Fund since launch. He joined JOHCM in 2008 and has 34 years of industry experience.



### Nudgem Richyal

Senior Fund Manager  
Nudgem has managed the Fund since launch. He joined JOHCM in 2008 and has 24 years of industry experience.

## Morningstar Rating™

Overall Morningstar Rating™

★★

Morningstar Ratings™ are for Institutional shares only; other classes may have different performance characteristics.



## Fund manager's commentary

- The portfolio outperformed its benchmark index this quarter, in part driven by mid-cap performance
- We are positioned for 2024 probably being a vice versa of 2023 in several ways, with better performance from 2023's laggards
- After the significant rally in Q1 2024, we would not be surprised by a momentum reversal or a shallow correction in Q2 2024

**The portfolio outperformed its benchmark index this quarter, making it top decile in the Lipper peer group over the last 6 months and 1<sup>st</sup> quartile over one year\*.** This was partly a result of some of the changes we made to the portfolio and partly due to better performance from our mid-caps relative to the mega-caps we do not own. We expect this new trend to continue.

**Q1 winners** included *Viking, Zealand, Nu Holdings, Eli Lilly and CRH* all due to positive news -we took profits and trimmed them back to model weight. **Q1 losers** included *GXO Logistics, B3, AP Memory, Globant and Dynatrace*, all due to disappointing news. We sold *GXO Logistics* due to deteriorating earnings outlook; the rest are currently under review.

### Year-to-date transactions and themes:

1. Weed out the losers quicker: sold Adobe, Danone, GXO and United Health as their earnings outlook and price momentum deteriorated.
2. New bull market in Japan: bought NEC and Recruit as their earnings outlook and price momentum improved.
3. New bull market in small-mid cap biotechnology: bought next-generation anti-obesity company Viking Therapeutics with positive drug results.
4. Obesity drug success is bad news for the consumer staples sector (ie less snacking): consumer staples is our biggest underweight relative to the index.
5. European companies with majority US revenues relisting in US creates significant value: holdings CRH and Linde continue to outperform since they moved their listing from Europe to US last year.
6. Emerging Markets growth stocks (avoid the value traps): holdings Mercadolibre and Nu Holdings (Latin American digital retail and finance).
7. Growth stocks in the financial sector are working again now the rate shock is over: holdings TPG and Ares(US private equity/debt).
8. Broadening bull market into mid-caps away from mega-caps: we increased our exposure to mid-caps, and will probably continue in this direction.
9. Our momentum stocks, such as semiconductors & anti-obesity are due a pause after a big run: we trimmed our biggest winners back to model weight.

10. What's next? Lead indicators are improving, the global industrial/manufacturing recession looks like it is ending. We expect a broadening bull market with better performance from more cyclical stocks/sectors/regions.

**We are positioned for 2024 probably being a vice versa of 2023 in several ways**, with better performance from 2023's laggards such as small and mid-caps, select emerging markets, and Japanese equities as earnings recover in these areas.

**Our scenario analysis and outlook is 80% bullish and 20% bearish:**

**Scenario 1 = 10% probability US Magnificent Seven leadership continues.** The Magnificent 7 is now down to the Magnificent 4, as *Tesla* and *Apple* earnings disappointed, and *Alphabet (Google)* earnings are now being questioned.

**Scenario 2 = 70% probability of broadening bull market.** Inflation & interest rates stabilising, and China (the world's second largest economy) stabilising are catalysts for this positive outcome.

**Scenario 3 = 20% probability of bear market or zig-zag.** Resurgent inflation and interest rates rising, or geopolitics/Middle-East escalating, are catalysts for this negative outcome.

**After the significant rally in Q1 2024, we would not be surprised by a momentum reversal or a shallow correction in Q2 2024.** The momentum signals we've seen recently suggest that small and mid-caps will see strong gains and outperform over the next 6 to 12 months. However, just because small and mid-caps look poised to outperform doesn't mean there isn't a place for some mega-caps with positive earnings revisions in the portfolio, particularly those exposed to the mega-trends of AI and obesity drugs.

**Our top-down scorecard shows several important changes.** The technology sector has become significantly overvalued but still has good fundamentals and trend. We expect other cyclical sectors' fundamentals and trend to improve next. The success of the new anti-obesity drugs is becoming bad news for both the health care and consumer staples sectors (i.e. less comorbidities and less food & beverage consumption).

\*Source: Lipper

Performance over 3 months	%
Institutional Share	12.21
MSCI AC World NR	8.20

## Attribution (%) January 1, 2024 through March 31, 2024

Holding attribution		Country attribution		Sector attribution	
	Relative return		Relative return		Relative return
<b>Top 5 attributors</b>					
Viking Therapeutics	4.64	Denmark	1.96	Health Care	7.16
Zealand Pharma	1.62	United States	1.93	Consumer Staples	0.37
<b>Apple</b>	<b>0.86</b>	South Korea	0.46	Materials	0.33
Nu Holdings	0.79	Ireland	0.41	Real Estate	0.23
Eli Lilly and Company	0.47	China	0.30	Utilities	0.18
<b>Bottom 5 attributors</b>		Indonesia	0.30	Energy	0.07
<b>Nvidia</b>	<b>-1.39</b>	Switzerland	0.24	Industrials	-0.06
B3	-0.73	United Kingdom	0.23	Consumer Discretionary	-0.19
AP Memory	-0.66	Brazil	0.15	Communication Services	-0.22
GXO Logistics	-0.62	Canada	0.13	Financials	-0.36
Globant	-0.59			Information Technology	-2.76

Securities listed in red were not held during the period. Past Performance is no guarantee of future performance.

## Risk considerations

The Fund invests in International and Emerging Markets. International investments involve special risks, including currency fluctuation, lower liquidity, different accounting methods and economic and political systems, and higher transaction costs. These risks typically are greater in Emerging Markets. Such risks include new and rapidly changing political and economic structures, which may cause instability; underdeveloped securities markets; and higher likelihood of high levels of inflation, deflation or currency devaluations.

Emerging Markets involve heightened risks related to the same factors, in addition to those associated with their relatively small size and lesser liquidity.

The small and mid cap companies the Fund may invest in may be more vulnerable to adverse business or economic events than larger companies and may be more volatile; the price movements of the Fund's shares may reflect that volatility.

Fund holdings are subject to change at any time and are not recommendations to buy or sell any security. A list of all holdings during the period, corresponding performance contributions and attributions, and the calculation methodology is available upon request.



## Portfolio analysis (%) As of March 31, 2024

### Top 10 holdings

	Fund	Benchmark
Microsoft	3.4	4.1
CRH	2.9	0.1
Alphabet	2.8	2.3
SK Hynix	2.8	0.1
Amazon.com	2.7	2.3
Nu Holdings	2.7	-
Broadcom	2.7	0.8
Tenaris	2.7	-
Compass Group	2.6	0.1
Eli Lilly	2.6	0.9
Cash	0.6	-

### Sector allocation

	Fund	Benchmark	Relative to benchmark
Information Technology	32.0	23.7	8.3
Health Care	16.9	11.1	5.8
Financials	20.4	16.1	4.3
Materials	7.4	4.2	3.2
Consumer Discretionary	10.1	10.9	-0.8
Energy	2.7	4.5	-1.8
Real Estate	-	2.1	-2.1
Utilities	-	2.5	-2.5
Industrials	7.0	10.8	-3.8
Communication Services	2.8	7.6	-4.8
Consumer Staples	-	6.4	-6.4

### Active weights

#### Top 5 positions relative to benchmark

CRH	2.8
SK Hynix	2.7
Nu Holdings	2.7
Tenaris	2.7
Zealand Pharma	2.6

#### Bottom 5 positions relative to benchmark

Apple	-3.5
Nvidia	-3.1
Facebook	-1.5
Taiwan Semiconductor	-0.8
JPMorgan Chase	-0.8

The active weight is the difference between the managed portfolio weight and the benchmark weight as of March 31, 2024.

All tables (except Top 10 holdings) exclude cash weighting of 0.6%.

Fund holdings, sector allocation, regional allocation and top 10 countries are subject to change without notification.

### Regional allocation

	Fund	Benchmark	Relative to benchmark
Emerging Latin America	7.0	0.9	6.1
Japan	9.7	5.5	4.2
Europe ex UK	13.0	12.1	0.9
Pacific ex Japan	2.1	2.5	-0.4
United Kingdom	2.6	3.3	-0.7
Emerging Asia	7.0	7.8	-0.8
Emerging Europe & Middle East	-	1.2	-1.2
North America	57.8	66.6	-8.8

### Top 10 countries

	Fund	Benchmark
United States	57.8	64.9
Japan	9.7	5.6
Denmark	5.1	0.9
Brazil	5.0	0.5
Ireland	2.9	0.2
South Korea	2.8	1.3
Italy	2.7	0.7
United Kingdom	2.6	3.4
Germany	2.5	2.1
Indonesia	2.3	0.2

## Modern portfolio statistics

Statistics	5Y	10Y
Correlation to benchmark	0.94	0.91
Sharpe ratio	0.35	0.36
Alpha	-1.96	-0.95
Standard deviation	19.38	16.01
Tracking error (%)	6.56	6.78
Upside capture ratio	99	93
Downside capture ratio	107	97

**Correlation to benchmark** is a measure of the strength of the relationship between a fund and its index.

**Sharpe ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk.

**Alpha** is a measurement of a fund's risk-adjusted performance against its index.

**Standard deviation** is a statistical measure of distribution around an average, which depicts how widely returns varied over a certain period of time. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

**Tracking error** is a measure of how closely a Fund's performance follows its index.

**Upside and downside capture** measures a manager's ability to generate excess return above the benchmark return in up markets and retain more of the excess return in down markets. The upside/downside capture ratio is the Fund's up/down market return divided by the index's up/down market return and equals the linked returns for all quarters in which the index return was greater/less than zero.

## Buying and selling fund shares

You can buy or sell shares of the Fund on any business day that the Fund is open through your broker or financial intermediary, or by mail or telephone. You can pay for shares by wire.

JOHCM Funds  
c/o The Northern Trust Company  
P.O. Box 4766  
Chicago, IL 60680-4766

Telephone  
**1-866-260-9549** (toll free) or 1-312-557-5913

The minimum investment for Advisor Shares is \$0, and Institutional Shares is \$1,000,000. There is no minimum for additional investments. May be subject to platform minimums if purchased through a brokerage account.

## Payments to broker-dealers and other financial intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## Dividends, capital gains and taxes

The Fund intends to make distributions that are generally taxable as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged investment plan. However, you may be subjected to tax when you withdraw monies from a tax-advantaged plan.

## Prospectus offer

**An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending any money. This and other important information about the Funds can be found in the prospectus or summary prospectus which can be obtained at [www.johcm.com](http://www.johcm.com) or by calling 1 866 260 9549 or 1 312 557 5913. Please read the prospectus or summary prospectus carefully before investing. The JOHCM Funds are advised by JOHCM (USA) Inc. and distributed through Perpetual**

**Americas Funds Distributors, LLC. The JOHCM Funds are not FDIC-insured, may lose value, and have no bank guarantee.**

## Morningstar Ratings™

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## Contact details

Perpetual Americas Funds Trust  
c/o The Northern Trust Company  
P.O. Box 4766  
Chicago, IL 60680-4766

Enquiries  
**866-260-9549**

Email [contact@johcm.com](mailto:contact@johcm.com)

[www.johcm.com](http://www.johcm.com)