

JOHCM Funds (UK) Limited

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Dear Shareholder,

Changes to J O Hambro Capital Management UK Umbrella Fund (the "Scheme")

We, JOHCM Funds (UK) Limited ("**JOHCM**"), are writing to you as an investor in one or more of the sub-funds of the Scheme listed below (each a "Fund" and together the "**Funds**") to inform you of a change that we will be making to the Funds with effect from 31 December 2022 (the "**Effective Date**").

- J O Hambro Capital Management UK Equity Income Fund
- J O Hambro Capital Management UK Opportunities Fund
- J O Hambro Capital Management UK Dynamic Fund

This letter contains important information about your investment. However, you are not required to take any further action as a result of this letter.

Change to the method of calculating the performance fee

The method used to calculate the performance fee payable in respect of the Funds will change on the Effective Date. The new method works in a similar way to the existing method whereby a performance fee is payable in the event that the performance of the Fund exceeds the performance of its benchmark. The current method applies any performance fee accrued to the 'weighted average assets' of the Fund on a share class level which means it can be affected by investor subscriptions and redemptions.

The new method does not include this feature. Instead, the new method compares the net asset value of the Fund with a nominal net asset value of the benchmark (referred to as the "Index Adjusted Net Asset Value") to calculate the performance fee. This figure is adjusted on a daily basis for that day's subscriptions and redemptions in order to prevent the monetary value of any performance fee accruing being affected by investor flows in or out of the Fund.

Whilst the new method is not guaranteed to produce lower fees than the existing method during any particular performance fee period, we would expect that, over the longer term, and where the Fund has positive performance, the new method should produce lower fees on the basis that the impact of investor flows on the performance fee has been removed.

One important feature of this new method is that it crystallises performance fees on redemptions while the performance of the Fund is in excess of the benchmark. This ensures that redeeming investors contribute proportionately to any performance fee which we consider delivers a fairer outcome for investors.

A comparison of the current performance fee method and the new performance fee method is set out in Part A of the Schedule. Worked examples of the current performance fee method and the new performance fee method are set out in Part B of the Schedule.

What do I have to do?

If you are comfortable with the changes outlined above **you do not need to do anything**.

However, if you are not comfortable, then you have the right to redeem your investment at any time before or after the change takes effect in accordance with the terms of the Scheme prospectus.

Further information

With effect from the Effective Date, the change outlined above will be incorporated into a new version of the Scheme prospectus. This will be available online at www.johcm.com.

Any costs associated with making this change will be paid by us and not the Funds.

Should you have any questions or require further information, please contact our Client Services team on clientservices@johcm.co.uk. Alternatively, should you wish to discuss these changes, please consult your financial adviser. You can obtain further information about your investments at www.johcm.com.

Yours faithfully,

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line that ends in a small flourish.

Alexandra Altinger

For and on behalf of
JOHCM Funds (UK) Limited

SCHEDULE

Comparison of the current performance fee method and the new performance fee method

Defined terms below have the meaning given to them in the Scheme prospectus, a copy of which is available at www.johcm.com. The numbering of the paragraphs below and associated cross-references refer to those in the Scheme prospectus.

Part A

Comparison of methods

CURRENT METHOD

30.7 Performance Fee

30.8 General

30.8.1

Subject to 30.8.2 below, the Investment Manager is entitled to a performance-related investment management fee (the "Performance Fee") in respect of the J O Hambro Capital Management UK Equity Income Fund, the J O Hambro Capital Management UK Opportunities Fund and the J O Hambro Capital Management UK Dynamic Fund.

30.8.2

No Performance Fee is payable in respect of (i) any Share Class in the J O Hambro Capital Management Global Opportunities Fund, or (ii) Class A Accumulating Shares and Class A Distributing Shares in the J O Hambro Capital Management UK Opportunities Fund.

30.8.3

The Performance Fee will be calculated separately for each Share Class. It will be calculated and accrued daily and will be payable annually in arrears in respect of each Performance Period ("Performance Period"). The Performance Period will be each successive calendar year.

30.8.4

Prior to 6 June 2019, the Investment Manager was the authorised corporate director of the Company and received a performance fee (the "ACD Performance Fee") in that capacity which is the same as the Performance Fee that it is now entitled to receive in its capacity as Investment Manager. No ACD Performance Fee shall crystallise as a result of the termination of that appointment as authorised corporate director and, given the ACD Performance Fee is the same as the Performance Fee, the first Performance Period under this agreement shall be deemed to be 1 January 2019 to 31 December 2019 and the Performance Fee shall be calculated in respect of the entirety of that 12 month period.

NEW METHOD

30.2 Performance Fee

30.2.1 General

30.2.1.1

Subject to 30.2.1.2 below, the Investment Manager is entitled to a performance-related investment management fee (the "Performance Fee") in respect of the J O Hambro Capital Management UK Equity Income Fund, the J O Hambro Capital Management UK Opportunities Fund and the J O Hambro Capital Management UK Dynamic Fund.

30.2.1.2

No Performance Fee is payable in respect of (i) any Share Class in the J O Hambro Capital Management Global Opportunities Fund, or (ii) Class A Accumulating Shares and Class A Distributing Shares in the J O Hambro Capital Management UK Opportunities Fund.

30.2.1.3

The Performance Fee will be calculated from the outperformance of the relevant benchmark index specified for each of the Sub-funds listed in Section 30.2.1.1 above (as set out in Appendix I) (each, the "Index") by each Share Class using the methodology set out below. The Performance Fee is calculated separately for each Share Class and is payable annually in arrears. The Performance Fee can therefore vary between Share Classes.

30.2.1.4

Details of past performance against the target benchmark will be set out in the key investor information document and shall be available from the Manager or the Investment Manager upon request.

30.2.2 Performance Period

The Performance Fee will be calculated and accrued daily in respect of each calendar year ending 31 December (the "Performance Period")¹. The first Performance Period for which this methodology will apply is the Performance Period commencing 1 January 2023 and ending on 31 December 2023. Any underperformance from previous Performance Periods will be carried forward and included in this Performance Fee calculation.

¹ Where a Share Class is launched in a calendar year, the first Performance Period for that Share Class will end on 31 December of the following calendar year (and not the calendar year in which the Share Class launches).

30.8.5

The index performance for each Performance Period is the difference between the level of the relevant performance benchmark index for each Sub-fund (as noted in Appendix 1) on the last Business Day of the previous Performance Period and on the last Business Day of the current Performance Period, expressed as a percentage (the "Index Performance").

30.8.6

The performance of a Share Class in respect of a Performance Period is the cumulative daily NAV performance throughout the Performance Period. Adjustments will be made to the calculation of daily performance on the dates any dividends or other shareholder distributions are made by adding back the dividend per share to the closing NAV of that date. No deduction is made on account of Performance Fee accrued in the Performance Period when calculating performance,

30.8.7

The net percentage outperformance in respect of Performance Periods where Class Performance is greater than Index Performance is the geometric difference between Index Performance and Class Performance, expressed as a percentage (the "Net Percentage Outperformance").

30.8.8

In respect of Performance Periods where Class Performance is less than Index Performance, such underperformance, being the geometric difference between Class Performance and Index Performance expressed as a percentage (the "Net Percentage Underperformance"), will be carried forward. No Performance Fee will be payable in any Performance Period until Class Performance measured against Index Performance has recovered any accumulated Net Percentage Underperformance from previous Performance Periods. In the Performance Period in which any accumulated Net Percentage Underperformance is recovered, only that part of the Net Percentage Outperformance for such period as exceeds the accumulated Net Percentage Underperformance carried forward is taken into account for the purposes of calculating the Performance Fee payable for the Performance Period.

30.2.3 Performance Fee Calculation**30.2.3.1**

The amount of the Performance Fee payable in respect of each Share Class is a Sterling amount equal to 15% of the excess of the Net Asset Value over the Index Adjusted Net Asset Value (defined below) of a Share Class.

30.2.3.2

The "Index Adjusted Net Asset Value" of a Share Class is the Net Asset Value of the Share Class as at the end of the last Performance Period after which a Performance Fee was paid (or if no Performance Fee has yet been paid, the initial offer price multiplied by the number of class shares issued at the end of the Initial Offer Period) adjusted on each Dealing Day by the value of any subscriptions or redemptions and adjusted by the compounded daily return of the Index over the course of the Performance Period. The daily return of the Index will be calculated in the currency of each Share Class (if the Share Class is not a hedged Share Class) or in the hedged currency where it is a hedged Share Class.

30.2.3.3

In the event that a Shareholder redeems during a Performance Period, any performance fee accrued up until the time of their redemption will be payable on a pro rata basis. Therefore, it is possible a Performance Fee may be paid even though at the end of the Performance Period the Net Asset Value per share has fallen back below the Index Adjusted Net Asset Value.

30.2.3.4

If at the end of the relevant Performance Period, the performance of the Net Asset Value exceeds the Index Adjusted Net Asset Value, the Performance Fee shall be equal in aggregate to 15% of the amount by which the Net Asset Value exceeds the Index Adjusted Net Asset Value of the relevant Share Class as at the end of the relevant Performance Period. For the avoidance of doubt, this means the Performance Fee will be payable on the relative return over the Index rather than any absolute return over the Net Asset Value per Share Class.

30.2.3.5

The use of an Index Adjusted Net Asset Value ensures that Shareholders will not be charged a Performance Fee until any previous shortfalls relative to the Index Adjusted Net Asset Value are recovered. However, the contribution of different Shareholders to that Performance Fee will vary depending on the relative amounts of under- and over-performance during their periods of share ownership.

30.8.9

The amount of Performance Fee payable in respect of each Share Class is a Sterling amount equivalent to the Net Percentage Outperformance x 15 per cent and is payable on the weighted average value of each Share Class during the Performance Period. Although in theory there is no limit on the level of the maximum performance fee which is payable out of the scheme property, the Net Percentage Outperformance would need to be above 100% for the Performance Fee to rise above 15% of the Net Asset Value per Share on the last Business Day of the previous Performance Period.

30.8.10

The Performance Fee accrues and is taken into account in the calculation of the Net Asset Value per share on a daily basis. Due to shareholder activity differences in the Net Asset Value of each Share Class during the Performance Period could result in differences in the weighted average value of each Share Class used in the calculation of the Performance Fee. This could lead to variations in performance between Share Classes within each Sub-Fund.

30.8.11

The amount of the Performance Fee will be calculated by the Administrator and verified by the ACD.

30.8.12

The level of the Performance Fee, or any change to the benchmark index used in its calculation, will not be changed unless, 60 days before the change, the ACD gives notice of its intentions and the date of commencement of the change to Shareholders and has revised and made available the Prospectus to reflect such changes.

30.8.13

The Performance Fee will be payable in situations where the Net Asset Value of the Sub-Fund falls over the Performance Period, provided that there has been a Net Percentage Outperformance of the relevant Index over the Performance Period. An illustration of this can be found in Example 3 below.

30.2.3.6

It also means that the Performance Fee will be payable on the relative return of the Net Asset Value against the Index Adjusted Net Asset Value and that a Performance Fee will be payable if the Net Asset Value has outperformed the Index Adjusted Net Asset Value during the Performance Period even where the Net Asset Value per share has decreased. A worked example of how the Performance Fee will be calculated during a Performance Period including this situation is set out in Appendix 8.

30.2.3.7

Any excess performance will be calculated net of all costs, including any Performance Fee already accrued in the Performance Period.

30.2.4 Timing

The Performance Fee will be calculated and accrue on each Dealing Day and become payable to the Investment Manager on 31 December each year. The Performance Fee will be paid annually in arrears in or about the third week of January. The amount of the Performance Fee is calculated by the Administrator and the calculation is verified by the Depositary. The Performance Fee in respect of any shares redeemed in a period of outperformance during a Performance Period and for which a share of the Performance Fee was crystallised at the point of redemption will be paid on a quarterly basis.

30.2.5 Warnings**30.2.5.1**

The Performance Fee is based on net realised and net unrealised gains and losses at the end of the Performance Period and as a result, the Performance Fee may be paid on unrealised gains that may never subsequently be realised.

30.2.5.2

As stated, in the event that a Shareholder redeems during a Performance Period, any performance fee accrued up until the time of their redemption will be payable on a pro rata basis. Therefore, it is possible a Performance Fee may be paid even though at the end of the Performance Period the Net Asset Value per share has fallen back below the Index Adjusted Net Asset Value.

30.2.5.3

The Index is intended solely for the purposes of calculating the Performance Fee. There can be no assurance that the performance of the Fund shall exceed the Index and the Investment Manager shall not be liable solely for the failure of the Fund to generate returns in excess of the Index.

Part B

Worked examples

CURRENT METHOD

Example 1:-

Assuming the Net Asset Value per Share on the first Business Day of the Performance Period is 100p;

- the Net Asset Value per Share on the last Business Day of the Performance Period is 106p;
- the level of the FTSE All Share Total Return Index on the first Business Day of the Performance Period is 100p;
- the level of the FTSE All Share Total Return Index on the last Business Day of the Performance Period is 104p; and
- the weighted average value of share class during the Performance Period is £50,000,000.
- then the Class Performance is $((106)/100)-1 \times 100 = 6\%$
- the Index Performance is $((104)/100)-1 \times 100 = 4\%$
- the Net Percentage Outperformance is $((1.06/1.04)-1) \times 100 = 1.92\%$

The Performance Fee payable for the Performance Period is:

- $1.92\% \times 15\% \times £50,000,000 = £144,000$

Example 2:-

Assuming the Performance Period in this example is that immediately following the one in example 1 above,

- the Net Asset Value per Share on the last Business Day of the previous Performance Period is 106p;
- the Net Asset Value per Share on the last Business Day of this Performance Period is 109p;
- the level of the FTSE All Share Total Return Index on the last Business Day of the previous Performance Period is 104p;
- the level of the FTSE All Share Total Return Index on the last Business Day of this Performance Period is 111p; and
- the weighted average value of share class during the Performance Period is £50,000,000.
- then the Class Performance is $((109)/106)-1 \times 100 = 2.83\%$
- the Index Performance is $((111)/104)-1 \times 100 = 6.73\%$
- the Net Percentage Underperformance is $((1.0283/1.0673)-1) \times 100 = (-3.65\%)$

There will therefore be no Performance Fee payable until the future Net Percentage Outperformance exceeds this 3.65% Net Percentage Underperformance.

Example 3:-

Assuming the Performance Period in this example is that immediately following the one in example 2 above,

- the Net Asset Value per Share on the last Business Day of the previous Performance Period is 109p;
- the Net Asset Value per Share on the last Business Day of this Performance Period is 108p;
- the level of the FTSE All Share Total Return Index on the last Business Day of the previous Performance Period is 111p;
- the level of the FTSE All Share Total Return Index on the last Business Day of this Performance Period is 105p; and
- the weighted average value of share class during the Performance Period is £50,000,000.
- then the Class Performance is $((108)/109)-1 \times 100 = (-0.92)\%$
- the Index Performance is $((105)/111)-1 \times 100 = (-5.41)\%$
- the Net Percentage Outperformance is $((0.9908/0.9459)-1) \times 100 = 4.74\%$

The Net Percentage Outperformance for this Performance Period is the current period Net Performance Outperformance of 4.74% (1.0474) geometrically linked to the Net Performance Underperformance from the previous performance period -3.65% (0.9635) so $((1.0474 \times 0.9635)-1) \times 100 = 0.916\%$ of Net Percentage Outperformance on which the Performance Fee is payable.

The Performance Fee payable for the Performance Period is

$$0.916\% \times 15\% \times £50,000,000 = £68,700$$

NEW METHOD

Performance Period	NAV Per share	Index Adjusted Net Asset Value ("IANAV") Per share	Performance Fee Payable	NAV Per share (after Performance Fee)	IANAV Per share at Start of New Performance Period
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Performance Period 1					
Start	10.00	10.00	0	10.00	10.00
End	11.00	10.50	Yes. The NAV exceeds the IANAV therefore a Performance Fee of 15% * IANAV * (NAV/IANAV-1) = 0.075 is payable	10.925	10.925

Performance Period 2					
Start	10.925	10.925	0	10.925	10.925
End	11.00	12.00	No. The NAV does not exceed the IANAV therefore no Performance Fee is payable	11.00	Because there was no Performance Fee payable at the end of Performance Period # 2 the IANAV continues at 12 at the start of Performance Period # 3

Performance Period 2					
Start	11.00	12.00	0	11.00	12.00
End	9.50	8.50	Yes. The NAV has fallen in value since the beginning of the Performance Period, however, the NAV still exceeds the IANAV at the end of the Performance Period and therefore a Performance Fee of 15% * IANAV * (NAV/IANAV-1) = 0.15 is payable	9.35	9.35

