

In Focus: JOHCM US Small Mid Cap Equity Fund

[Link to Article on website](#)

[Link to Video](#)

[Link to Partner Profile](#)

Vince Rivers, Portfolio Manager at J O Hambro Capital Management (JOHCM) tells Hubbis why investors should take to the JOHCM US Small Mid Cap Equity Fund.

ACCORDING TO RIVERS, THE FUND is a concentrated US small and mid-cap fund, which invests in roughly 50 stocks in the US.

Rivers says that the fund focus stems from their confidence in the US economy, which he claims is stronger relative to its European and Japanese peers, and should create better investment opportunities, especially among small and mid-cap companies.



VINCE RIVERS
J O Hambro Capital Management

According to Rivers, the fund would be of interest to investors looking leverage a portion of the US marketplace that's more likely to outperform over the next couple of years.

"With the changes in the tax law, the change in the investments that were announced, we feel the small and mid-cap stocks are more likely to outperform the large-cap brothers," he reveals.

These companies will benefit from not only better-than-expected GDP growth, and the tax reform, but also the infrastructure spending passed last year, according to Rivers. "We expect better-than-average growth from our companies and believe the valuations are appropriate and make an interesting space for investors to be investing in right now."

He points out that one of the more exciting reasons to own small and mid-cap companies is the better opportunities for growth.

"These are companies that may be changing their industry, creating new products, or just simply doing things better and different than their large-cap peers," he says. "They give us an opportunity to really directly invest in a trend at a specific level and not have to own a big broad company, which is levered to multiple trends."

On the kind of companies the fund will invest in within technology and healthcare, Rivers says that they research deeply into both these sectors, leveraging the sector-specific expertise of the firm's three portfolio managers.

"We meet with industry participants, and try to identify the real changes that are going on within a sector," he says. "We use that knowledge and focus our research on what we believe is the best neighbourhood of, say, 15 to 20 companies that we're going to perform bottom-up analysis on to figure out what companies are appropriate for the fund." ■