

## FP TELLSONS ENDEAVOUR

**FUND OBJECTIVE:** to achieve capital growth over the long-term with less of the volatility of equities.

**INVESTMENT PROCESS:** the Fund invests predominantly in the equities and bonds of companies that typically lead their industries, regionally or globally. As advisor to the Fund, the Tellsons partners believe that consistent dividends, contractual bond interest payments and consensus research estimates for earnings growth are pretty good starting points in the search for sustainable long-term returns. We think of this as investing the probable over speculating the possible, the stewardship and maintenance of wealth for the long-term.

**WHAT WE BELIEVE:** somewhere between the storage rooms of preservation and the racetracks of performance there is the persistence of *corporate endeavour*: the intrinsic return available from capital employed - we believe it can be far more resilient than the wild swings of market sentiment often suggest.

**Q2 2017 COMMENTARY:** We ended our First Quarter commentary with the expectation that politics would remain the principal driver of market sentiment but we couldn't have known just how much that was to be the case. As Emmanuel Macron swept to an emphatic victory in French presidential and Assembly elections, the UK government of Theresa May called an election at the highest point of broad public support enjoyed by the Conservative party for many decades, only to see its control of the House of Commons cut to barely a thread. Leadership fared no better in the US as Donald Trump seemed to blunder into a damaging constitutional crisis with the FBI which is likely to rumble on a while longer, undermining the viability of his legislative agenda still further. This has left growth in the US without the sponsorship and hope it enjoyed in the first quarter, and following another interest rate hike in June, uncertainty for the outlook has grown on the back of some weak economic data and fears over a tight labour market which could spur wage inflation. This coincided towards the end of the quarter with expectations in Europe of continued 'tapering' of the QE bond buying programme, setting off a sequential rise in bond yields and modest falls in equity markets on both sides of the Atlantic. Equity and bond markets appear to be in search of a new equilibrium rate of interest and inflation to protect continued broad-based economic growth across regions, and the summer looks set to bring continued volatility as fear and hope battle it out for the high ground. We remain confident of an average 13% consensus analyst expectation for earnings growth from our equity investments and an almost 6% yield from our bond investments over the medium term. Politics won't be outdone though, with Brexit negotiations, German elections and the by now customary Trump Twitter feeds likely to entertain, disrupt and distract through the holidays.

N.B. please review our Fund full year report and accounts for details of investments and performance published to the website this month.

### FUND DETAILS:

FUND TYPE:	UCITS V OEIC
STRATEGY:	Total Return
IA SECTOR:	Specialist
LAUNCH DATE:	Feb 3 <sup>rd</sup> 2014
FUND SIZE:	£27m
ACD:	Fund Partners
DEPOSITARY:	Northern Trust
AUDITORS:	Deloitte

MINIMUM:	£3,000
ADDITIONAL:	£500
REGULAR SAVING	£50 pm
DEALING/NAV:	Daily/Noon
INCOME YIELD:	1.93% (historic*)
DISTRIBUTION:	Jul/Nov

\*See Notes, Income Yield

ENTRY/EXIT FEES: 0%

ONGOING CHARGES FIGURE (OCF):

RF <£1m	1.32%
IF >£1m	1.07%
SP	0.72%
PF	0.32% (variable)

See Notes for further details

Total Return %	FP Tellsons Endeavour RFA	CPI inflation / Gilts < 5y*	MSCI All Country World Index	Barclays Global Corporate Bond
<b>Quarter</b>	1.7	0.0	4.5	3.5
<b>Year-to-date</b>	6.6	0.3	11.8	5.2
<b>1 year</b>	10.1	0.7	19.4	2.7
<b>3 years</b>	11.6	6.0	17.1	3.6
<b>Since Incep (03.02.14)</b>	12.3	6.9	31.9	7.7
<b>Volatility (annualised)</b>	6.1	0.7	10.6	4.2

\* See Notes, Benchmarks, Currencies

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2017</b>	1.6	2.2	1.0	1.2	2.2	-1.7							6.6
<b>2016</b>	-2.4	0.1	2.4	1.9	0.1	0.4	2.0	2.2	-0.9	-0.2	-1.5	1.8	5.7
<b>2015</b>	0.2	0.2	-0.5	0.4	0.8	-3.1	0.8	-3.3	-3.8	4.7	0.1	-0.8	-4.5
<b>2014</b>	-1.2	1.0	0.1	-0.7	0.9	-0.6	-0.7	1.6	-0.1	1.9	1.4	-0.4	*4.4
<b>2013</b>	4.2	1.9	-0.3	0.9	0.4	-3.8	4.3	-2.6	0.3	2.1	-0.7	0.8	7.4
<b>2012</b>	-	-	-	-	-	-	-	-	-	-	1.5	1.5	3.1

\* The 2014 calendar year performance excludes one month pre-launch model portfolio return of January 2014.

Audited model portfolio returns are highlighted and outlined, Oct.12-Jan.14

### Rolling 12 month return (month end to month end)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016-2017</b>	10.1	12.4	10.8	10.1	12.5	10.1						
<b>2015-2016</b>	-7.1	-7.2	-4.4	-3.0	-3.7	-0.2	1.0	6.6	9.8	4.7	3.0	5.7
<b>2014-2015</b>	4.6	3.8	3.2	4.4	4.3	1.6	3.1	-1.8	-5.5	-2.9	-4.1	-4.5

Top 20 investments account for 52.8% of Fund. Single company 5% max.

60 individual investments.

### EQUITIES:

Nestlé  
Reed Elsevier  
PepsiCo  
Comcast  
Monsanto  
Johnson & Johnson  
Wolseley  
Silicon Valley Bank  
Randgold Resources  
Alphabet  
Reckitt Benckiser  
Visa  
Royal Dutch Shell  
British American Tobacco

### BONDS:

Rabobank  
Barclays Bank  
BHP Billiton  
National Grid  
Orange  
AA

Class	Unit Type	ISIN	BLOOMBERG TICKER
RF	Inc	GB00BJ391D69	FPERRIG LN
RF	Acc	GB00BJ391F83	FPERRAG LN
IF	Inc	GB00BJ391G90	FPEIIG LN
IF	Acc	GB00BJ391H08	FPERRAG LN
SP	Acc	GB00BYWWR883	FPENFSP LN
PF	Acc	GB00BJ391J22	FPEPRAG LN

**DEALING LINE**

**01202 855 856**

### PLATFORM PARTNERS:



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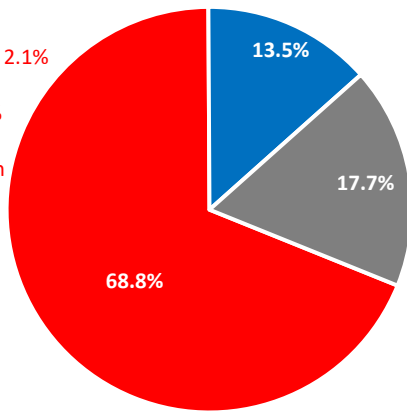
## Allocation

### Equities

Dividend Yield <sup>(1)</sup> 2.1%

EPS LTG <sup>(2)</sup> 13.3%

M. Cap <sup>(3)</sup> £116bn



### Bonds

Run. Yld. <sup>(4)</sup> 5.7%

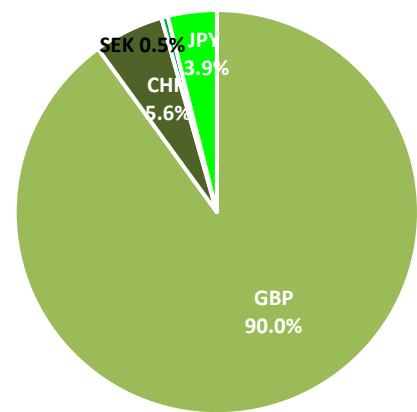
Credit Rtg. <sup>(5)</sup> BBB-

Avg. years <sup>(6)</sup> 8.1

Cash & Derivatives

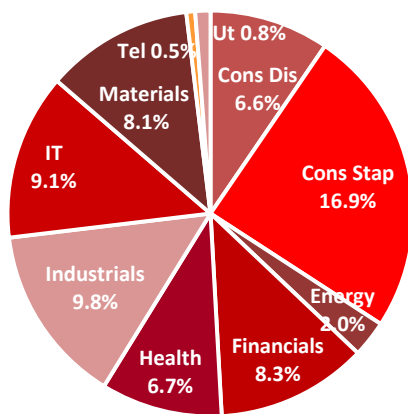
Derivatives may be used to seek to reduce some of the risks of Fund investments. See Notes, Derivatives

## Currency



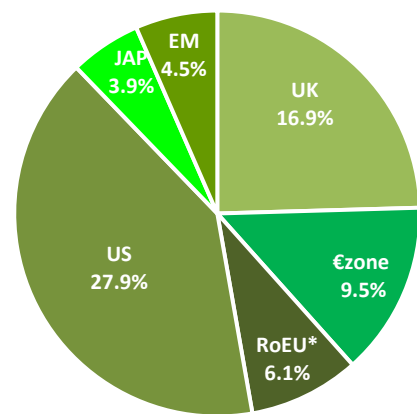
Foreign currency hedged to between 70-100% GBP.

## Equity-Sectors



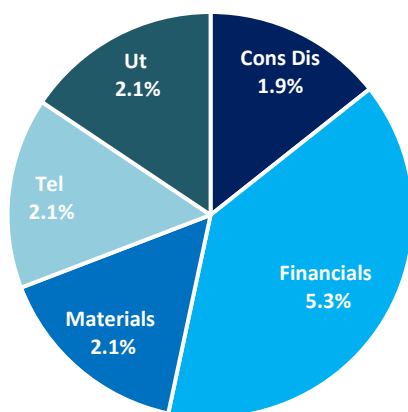
GICS: Global Industry Classification Standard.

## Equity-Countries



\*RoEU: Rest of Europe; RoDM: Rest of Developed Market

## Bond-Sectors

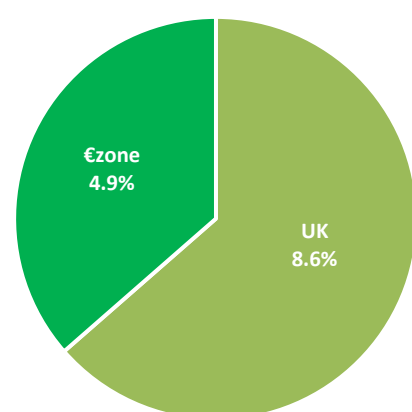


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## Ratings



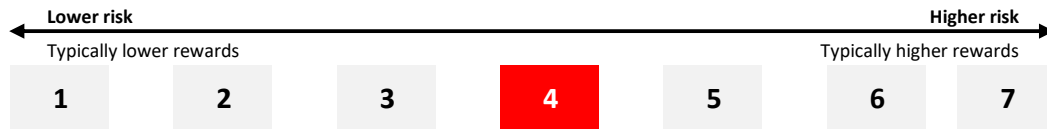
## Bond-Countries



\*RoEU: Rest of Europe; RoDM: Rest of Developed Market

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## Risk & Reward



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'. The Fund appears as a "4" on the scale. This is because it invests in a mixture of investments. The value of some of these investments may vary more widely than others. The indicator above does not take account of the following risks of investing in the Fund: there is a risk that third parties with whom the Fund enters into investment contracts may fail to meet their obligations and the Fund may suffer a loss; changes in exchange rates may mean the value of your investment goes up and down; interest rate movements affect the value of bonds - bonds with a longer maturity period are more sensitive to changes in interest rates; a third party which issues bonds may fail to meet the interest repayments or repay its debt, leading to losses for the Fund. The risk is greater for investments that have a lower credit-rating. For full details of the Fund's risks please see the Fund's prospectus.

### NOTES

#### Date of all data, unaudited figures

As of 30th June 2017 (unless explicitly mentioned below).

#### Source for all data

Tellsons Investors LLP, Apex Fund Services, Bloomberg.

Numbers may not add up due to rounding.

#### Performance & Volatility Table (PAGE 1)

##### Inception 03.02.2014;

Endeavour returns are based on RF Accumulation share class, net dividends reinvested, net of fees; all returns are total returns in local currencies.

Volatility is based on monthly returns over 36 months, annualised. Source: Bloomberg, Apex Fund Services.

#### Benchmarks (PAGE 1)

CPI / Gilts <5y - This is the benchmark for the purposes of calculating any performance fee due on PF share class: the average of 5-year rolling UK CPI and FTSE UK Gilts (<5yrs).

MSCI All Country World Index TR USD.

Barclays Global Aggregate Corporate Bond Index USD.

#### Monthly Returns (PAGE 1)

The public UCITS FP Tellsons Endeavour Fund inception 03.02.2014.

Highlighted and outlined monthly returns show model, real cash, pre-launch portfolio returns from Oct.12 - Jan.14 and are audited.

#### Income Yield - Income Units only (PAGE 1)

This is based on the most recent dividend paid for the RF Income share class, annualised: Financial year ended 30.3.2017.

Effective April 2016, administration costs applicable to the Income Units are expensed to capital and gross income paid out as distribution.

#### Fees (PAGE 1)

RF Fixed Investment Fee 1.00%, ONGOING CHARGES FIGURE (OCF): 1.32%

IF Fixed Investment Fee 0.75% for investments > £1m, ONGOING CHARGES FIGURE (OCF): 1.07%

SP Fixed Investment Fee 0.40%, ONGOING CHARGES FIGURE (OCF): 0.72%. (available to Defined Contribution, Charity and Endowment investors only)

PF Performance Fee carries no Fixed Investment Fee; solely admin costs of 0.32% plus 20% share of Outperformance vs. the Performance fee Benchmark;

Performance fee Benchmark is the average of FTSE UK Gilts (<5yrs) and 5-year rolling UK CPI. See Prospectus for details.

Administration costs are audited, as at the year ended March 2016.

#### Derivatives (PAGE 2)

Exchange-traded futures & options contracts may be used to seek to reduce some of the risks of the investments, including currencies, stock indices and interest rates, as permitted for efficient portfolio management under UCITS V regulations. See the Fund's prospectus for further explanatory information.

Non GBP currency exposure typically 15%, variable 0-30%.

#### Allocation (PAGE 2)

Based on current security price and as a weighted average for the portfolio: (1) Dividend Yield: based on 12 months trailing dividends per share; (2) EPS LT Growth: Bloomberg consensus long-term EPS growth estimates; (3) Market Capitalisation: in Pound Sterling; (4) Running Yield: based on bond coupon; (5) Credit Rating: S&P rating of bond holding; (6) Avg.Maturity: years to redemption (or issuer workout, adjusted for issuer redemption options).

Source: Bloomberg.

#### Currencies (PAGE 2)

Unhedged foreign currency exposures may typically be managed between 0-30% for diversification and risk management purposes.

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