

**Fund Objective:** capital growth with less of the volatility of equities. The Fund invests predominantly in global equities and corporate bonds, other listed securities, government bonds, and money markets.

**Investment Process:** the manager follows the fundamentals of the business cycle to select individual equity and bond investments with attractive and complementary risk and return profiles within a through-cycle four phase asset allocation framework.

**Investment Outcome:** over a full business cycle the manager seeks to deliver a total return in excess of the Performance Benchmark, comparable to inflation +3-4% in normal circumstances, and comparable to the long-term return on equities. Fund seeks to generate a 'natural' level of income from bond interest and equity dividends that should be sustainable across the business cycle.

**Performance Benchmark:** the average of the return on an index of short-dated UK Government bonds (upto five years maturity) and rolling five year CPI. The purpose of this benchmark is stability: historically the average of each of these has been about 3-4%, but when one is lower the other is normally higher, offering a steady 'risk free' measure that also accounts for inflation.

**Fund Sector:** IA\* Mixed Investment 20-60%, Morningstar GBP Moderately Adventurous. Equity investments are limited to 70% of Fund; unhedged foreign currency typically 15-30%, maximum limit 50% of Fund effective Q3 2019.

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| INVESTMENT SUMMARY        |      |      |      |      |      |       |      |
|---------------------------|------|------|------|------|------|-------|------|
|                           | Q2   | YTD  | 1Y   | 3Y   | 5Y   | S.I.* | vol  |
| IF-A                      | 1.8  | 8.7  | 2.2  | 17.0 | 19.1 | 31.3  | 6.4  |
| Bm                        | 0.4  | 0.8  | 1.0  | 1.9  | 7.3  | 10.2  | 0.7  |
| IA*                       | 2.9  | 7.9  | 2.9  | 18.6 | 25.6 | n/a   | n/a  |
| * see notes, Performance. |      |      |      |      |      |       |      |
|                           | '13* | '14  | '15  | '16  | '17  | '18   | '19  |
| YTD                       | 7.4  | 3.4  | -4.3 | 5.9  | 10.1 | -5.5  | 8.7  |
| Dec                       | 0.8  | -0.4 | -0.8 | 1.8  | 0.5  | -1.5  | -    |
| Nov                       | -0.7 | 1.4  | 0.1  | -1.5 | 0.3  | 0.4   | -    |
| Oct                       | 2.1  | 1.9  | 4.7  | -0.2 | 2.9  | -6.3  | -    |
| Sep                       | 0.3  | -0.1 | -3.8 | -0.9 | -0.9 | -1.0  | -    |
| Aug                       | -2.6 | 1.6  | -3.2 | 2.2  | 0.1  | 0.5   | -    |
| Jul                       | 4.3  | -0.7 | 0.8  | 2.0  | 0.2  | 1.9   | -    |
| Jun                       | -3.8 | -0.5 | -3.1 | 0.4  | -1.7 | -0.6  | 2.3  |
| May                       | 0.4  | 0.9  | 0.8  | 0.1  | 2.2  | 1.9   | -0.5 |
| Apr                       | 0.9  | -0.7 | 0.4  | 1.9  | 1.3  | 1.4   | 0.0  |
| Mar                       | -0.3 | 0.1  | -0.5 | 2.5  | 1.0  | -2.7  | 1.7  |
| Feb                       | 1.9  | 1.0  | 0.2  | 0.1  | 2.2  | -1.3  | 2.2  |
| Jan                       | 4.2  | -1.2 | 0.3  | -2.4 | 1.7  | 2.0   | 2.8  |

|              |                |
|--------------|----------------|
| Up Months    | 65%            |
| Best         | +4.7 (Oct '15) |
| Worst        | -6.3 (Oct '18) |
| Avg. up/down | +1.4 / -1.5    |

**COMMENTARY**

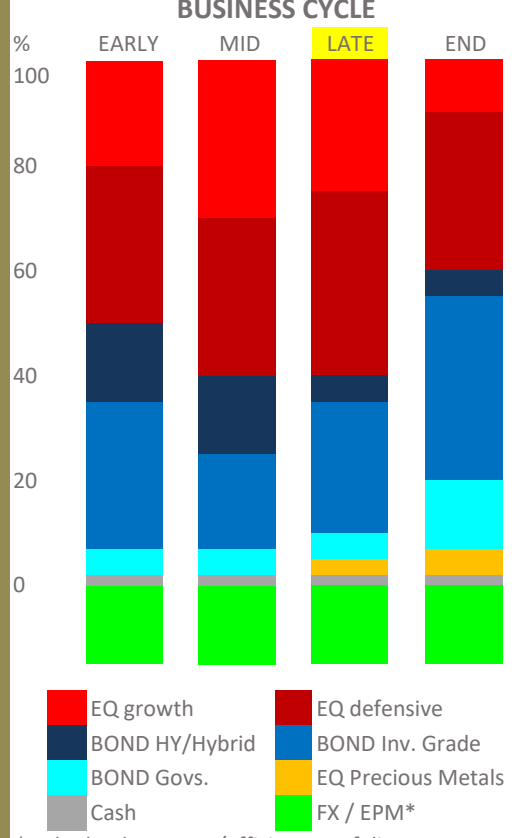
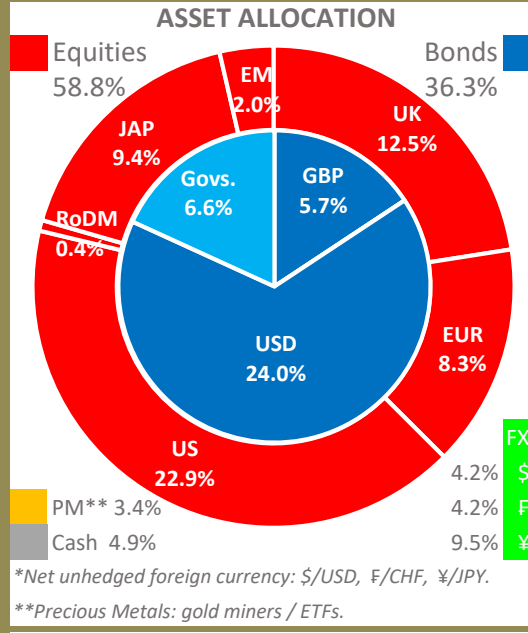
Gains across asset markets continued this quarter with a strong rally in bond and gold markets as expectations for interest rate cuts have grown;

Bond markets appear to be pricing in multiple interest rate cuts in expectation of recession; equity markets appear more sanguine about ongoing growth, assisted by lower interest rates;

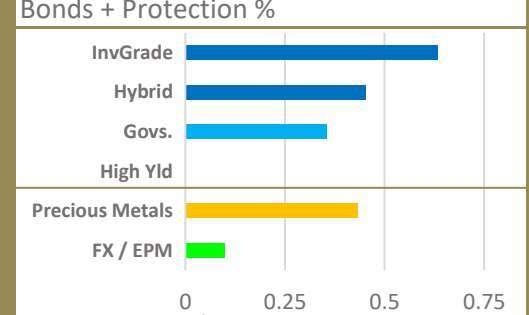
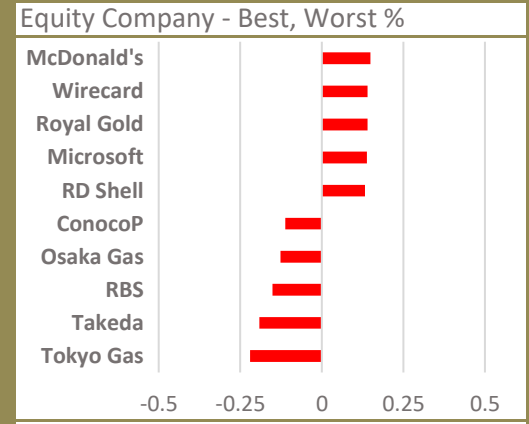
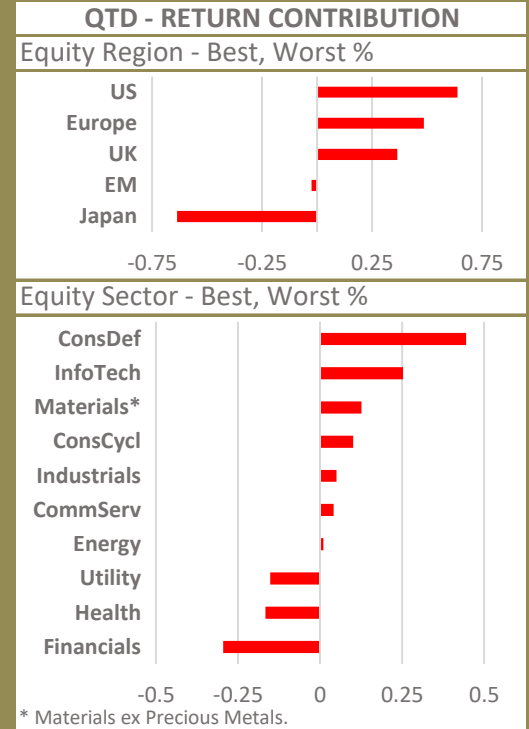
US Federal Reserve stands ready to ease interest rates if economy slows further but unclear how much;

Fund positioning for 'Late' stage of the business cycle but this could extend a while longer on moderate low inflationary growth;

Unhedged foreign currency typically 15-30%, limit increased to 50% effective Q3 owing to structurally higher USD bond and equity Fund investments.

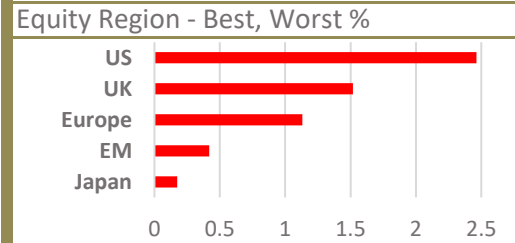


\*Unhedged currency/Efficient Portfolio Management.

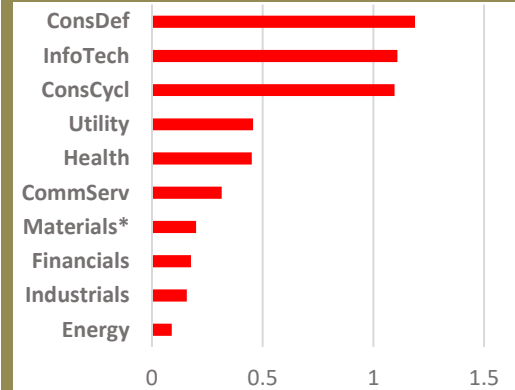


Figures gross of fees/costs, total return, local currency.

### YTD - RETURN CONTRIBUTION

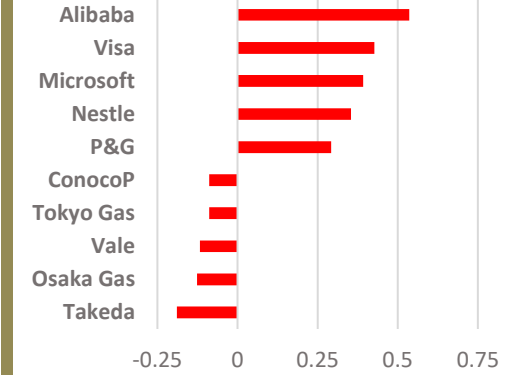


### Equity Sector - Best, Worst %

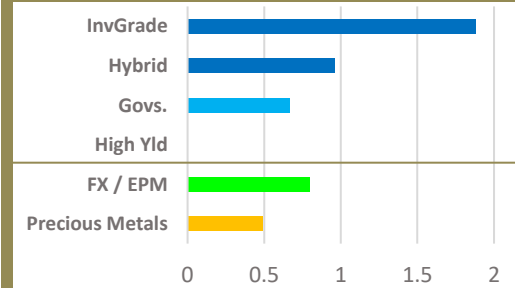


\* Materials ex Precious Metals.

### Equity Company - Best, Worst %



### Bonds + Protection %



Figures gross of fees/costs, total return, local currency.

### INVESTMENTS

| Equities                | TOP 10 | Bonds             |
|-------------------------|--------|-------------------|
| Royal Dutch Shell       |        | USTII 0.875% 2029 |
| ConocoPhillips          |        | Total             |
| JP Morgan               |        | Orange            |
| Procter & Gamble        |        | Praxair           |
| Visa                    |        | Equinor           |
| Microsoft               |        | EDP               |
| Bank of America         |        | Nestle            |
| McDonald's              |        | ABB               |
| Nestlé                  |        | Rabobank          |
| Roche                   |        | USTII 1% 2049     |
| Top 10 bonds + equities |        | 50%               |
| Single company          |        | 5% max            |
| Individual investments  |        | 74                |

### EQUITY PROFILE

|                                  |                  |
|----------------------------------|------------------|
| Dividend Yield <sup>1</sup>      | 3.5%             |
| PE forward /EPS LTG <sup>2</sup> | 15.3 x / 9.2%    |
| Mkt.Cap. Avg/Median <sup>3</sup> | £135 Bn / £42 Bn |

### BOND PROFILE

|                              |                |
|------------------------------|----------------|
| Running Yield <sup>4</sup>   | 3.2%           |
| Credit Quality <sup>5</sup>  | 100% Inv.Grade |
| Corporate years <sup>6</sup> | 5.5 (ex Govs)  |

see notes for details of profile metrics

### FUNDS FACTS

|                                  |                         |      |                  |      |      |
|----------------------------------|-------------------------|------|------------------|------|------|
| Fund Type:                       | UCITS V OEIC            |      |                  |      |      |
| Strategy:                        | Targeted, Total Return  |      |                  |      |      |
| IA Sector:                       | Mixed 20-60%            |      |                  |      |      |
| Morningstar:                     | Moderately Adventurous  |      |                  |      |      |
| Morningstar Sustainability:      |                         |      |                  |      |      |
| Fund Size:                       | £41m                    |      |                  |      |      |
| ACD:                             | Elite Funds/Way         |      |                  |      |      |
| Depository:                      | Northern Trust          |      |                  |      |      |
| Auditors:                        | BDO                     |      |                  |      |      |
| Dealing:                         | Daily/Noon              |      |                  |      |      |
| Income Yield:                    | 2.56% dist Jul/Nov      |      |                  |      |      |
| Entry/Exit Fees:                 | 0%                      |      |                  |      |      |
| Ongoing Charges (OCF):           | indicative current year |      |                  |      |      |
| RF                               | 1.34%                   | IF   | 1.09%            |      |      |
| SP                               | 0.74%                   | PF   | 0.34%* see notes |      |      |
| Distribution IF-I Pence per unit | '15                     | '16  | '17              | '18  | '19  |
|                                  | 1.73                    | 1.46 | 1.94             | 2.09 | 3.02 |

### RISK & REWARD



This indicator is based on historical data and may not be a reliable indicator of the future risk profile of the Fund which may change. The Fund risk profile indicated is because the Fund invests in a mixture of investments and their value may vary more widely than others. Please see the Fund prospectus for more details on the risks of the Fund.

### NOTES

**Date of all data**, unaudited figures: as of 28th June 2019 (unless otherwise detailed).

**Source for all data:** Tellsons Investors LLP, Apex Fund Services, Bloomberg, StatPro. Numbers may not add up due to rounding.

**Performance & Volatility:** Inception 31.10.12 includes private pre-launch audited model portfolio; public inception 03.02.14. Endeavour returns based on IF 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. **Benchmark:** Fund benchmark is the average return of index of short-dated UK government bonds upto five years and rolling five year UK CPI inflation; IA Category performance source: FE trustnet.

**FX:** unhedged foreign currency exposure typically 15-30% of the Fund, limit 50%; **EPM:** 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 details.

**Monthly Returns:** Inception 31.10.12 includes private pre-launch audited model portfolio; public inception 03.02.14. Highlighted and outlined monthly returns show private pre-launch audited model, real cash, portfolio returns from Oct.12 - Jan.14.

**Income Yield:** This is based on the most recent annualised dividend payable for the IF Income share class, financial year ended 29.3.2019. Administration costs applicable to the Income Units are expensed to capital and gross income paid out as distribution.

**Fees:** Investment fee plus administration expense = OCF (admin 0.34% indicative current year)

**IF Fixed Investment Fee 0.75%, OCF 1.09% (indic);**

**SP Fixed Investment Fee 0.40%, OCF 0.74% (indic, available to Charities, Pensions, SIPP, and Endowment investors);**

**PF Performance Fee option carries no Fixed Investment Fee, solely admin costs of 0.34% (indic) plus 20% share of outperformance vs. Performance Benchmark;**

**Profiles: Equity Profile** (1) Dividend Yld: based on 12 months trailing dividends per share; (2) PE/EPS LT Growth: Bloomberg consensus long-term estimates (excl. a 20bp special situation); (3) Market Capitalisation: average and median in GBP; **Bond Profile** (4) Running Yld: based on bond coupon and price; (5) Credit quality: weighted average credit quality of bonds; (6) Avg. Maturity: years to maturity (or adjusted for issuer redemption options). Source: Bloomberg.



## EF TELLSONS ENDEAVOUR Sustainable Targeted Return

Q2 - 2019  
Investment Review & Fund Facts



PLEASE READ THE IMPORTANT WARNING NOTICE OVERLEAF. Any opinions stated in this review are expressed solely as opinions of the investment advisor to the Fund and should not be construed as investment advice nor solicitation to invest.